

The weather at major Swissair destinations

17.5.87	MIN.	MAX.	
AMSTERDAM	12	18	Cloudy
BIRMINGHAM	10	15	Cloudy
BREITENBURG	10	15	Cloudy
CHICAGO	10	15	Cloudy
COPENHAGEN	10	15	Cloudy
FRANKFURT	10	15	Cloudy
GENEVA	10	15	Cloudy
HELSINKI	10	15	Cloudy
HONGKONG	22	28	Cloudy
JERUSALEM	10	15	Cloudy
JOHANNESBURG	10	15	Cloudy
LONDON	10	15	Cloudy
MADRID	10	15	Cloudy
MONTREAL	10	15	Cloudy
NEW YORK	10	15	Cloudy
OSLO	10	15	Cloudy
PARIS	10	15	Cloudy
RIO DE JANEIRO	10	15	Cloudy
SAO PAULO	10	15	Cloudy
STOCKHOLM	10	15	Cloudy
TOKYO	10	15	Cloudy
VIENNA	10	15	Cloudy
ZURICH	10	15	Cloudy

*For the latest weather conditions contact Swissair.

Tel Aviv: 03-524 0000
Jerusalem: 02-524 0000
Haifa: 04-524 0000
Be'er Sheva: 05-524 0000
Cairo: 03-524 0000

swissair

THE WEATHER

Yesterday's	Yesterday's	Today's
Humidity	Min-Max	Max
Jerusalem	14-24	32
Golan	11-10	33
Nahariya	61-13	26
Safad	19-19	32
Haifa Port	22-22	26
Tiberias	29-14	37
Nazareth	16-23	34
Afula	27-10	33
Shomron	12-18	34
Tel Aviv	12-17	26
B-G Airport	16-13	33
Jericho	21-17	39
Gaza	85-16	25
Beersheba	24-16	37
Eilat	14-25	40

SOCIAL & PERSONAL

MK Abba Eban, has been elected chairman of the Friends of Amal worldwide educational system.

ARRIVALS

Mr. and Mrs. Abraham Gerson, Mexico; Mr. and Mrs. Alejandro Salas, Mexico; Mr. Gregorio Shapiro, Mexico; for the inauguration of the Gregorio and Dora Shapiro Chair in Hematology and Hematology at Tel Aviv University; Mr. and Mrs. Alejandro Shapiro, Mexico; Mr. and Mrs. Simon Poincaré, Argentina; Mr. Abraham Horodisch, Holland; Mr. and Mrs. Fred Lessing, U.S.A.; Mr. Yona Etinger, U.S.A.; Mr. Dina Etinger, U.S.A.; Mr. Wolf Blumenthal, Argentina; Chairman of the Gentian Friends of Tel Aviv University; Mr. and Mrs. Marcos Maus, Mexico; for the inauguration of the Marcos and Cecilia Maus Micro-computer Laboratory at Tel Aviv University; Mr. and Mrs. M. Simcha Ben-Shaul, Mexico; Mr. and Mrs. Ruben Merinfeld from Venezuela for the Ceremony of the Conferment of Honorary Doctorate Degrees and Honorary Fellowships, all for the Annual Meeting of the Board of Governors of Tel Aviv University; Mr. and Mrs. George Ewins, Belgium; Mr. and Mrs. Sidney Chelsky, Mr. Israel Frolich, Dr. and Mrs. Irving Koranyi, Mr. Ronald Oelbaum, Mr. Louis Rasmitsky, Canada; Mr. and Mrs. Eric Charles, Mr. Sidney Coroh, Mr. and Mrs. Albert Klyne, Dr. and Mrs. Sam Lawson, Mr. David Sala, Mr. David Wernick, England; Mrs. Giselle Altman, France; Mr. and Mrs. Dieter Kruger, Mr. and Mrs. Jerald Rajala, Mr. Horie Rosenberg, Mr. and Mrs. Eric Samson, South Africa; Mr. and Mrs. Frederic Koptek, Switzerland; Mr. and Mrs. Lawrence Field, Mr. and Mrs. Arnold Forster, Mr. and Mrs. Herbert Grover, Mrs. Karen Kroener, Mr. and Mrs. Philip Krupp, Mr. and Mrs. Frederick Krupp, Mrs. Charlotte Newman, Mr. and Mrs. Max Shechner, Mr. Howard Shrut, Mr. Alex Vani, U.S.A.; all guests of Ben-Gurion University of the Negev, to participate in the 17th annual Board of Governors meeting.

Freda Keel, from a lecture tour in Australia, on behalf of Keren Hayesod.

UNITED ISRAELI APPEAL - KEREN HAYESOD
ISRAELI UNITED APPEAL OF SOUTH AFRICA

Congratulates
Mr. BERTIE LUBNER
on being awarded
Honoris Causa

AT BEN-GURION UNIVERSITY OF THE NEGEV
MONDAY, MAY 18, 1987

The World Zionist Organization
Sephardi Communities Department

extends best wishes to
**The Israel branch of
The World Sephardi
Federation**

for the success of its Convention devoted to a just
society
and the unity of the Jewish people.

Asher Ohayon
Head of the Department

Avi Shlush
Director-General

Ben-Gurion University of the Negev
wishes
George Shrut
Boston, U.S.A.
A HAPPY 80th BIRTHDAY
and many more years
of good health and happiness

HOME AND FOREIGN NEWS

PLO seen stepping up its attacks in North

By JOSHUA BRILLIANT
Post Defence Reporter

Two attempts by Fatah units in recent weeks to penetrate Israel's northern border attest to the resurgence of the PLO's strength in Lebanon, according to Israeli military sources.

The sources expect the PLO to step up attempted incursions and Katyusha attacks.

The most recent attempt to cross the security zone in southern Lebanon came a week and a half ago when a five-man Fatah squad was intercepted at Tzfat by a Golan force. Two terrorists were killed in the clash and the other three captured.

The squad had planned to seize hostages on a border settlement and demand the release of security prisoners held in Israeli jails.

The attempted incursion was the

second by Fatah in a three-week period, as compared to one attempted land incursion during the entire previous year. Last year there had also been one attempt each by the Popular Front for the Liberation of Palestine, the Democratic Front for the Liberation of Palestine, and the Palestine Liberation Front. There had also been two sea-borne attempts by the PFLP and the PLF. All failed.

Military sources say several factors have contributed to the resurgence of PLO activity in Lebanon and the impression that the organization is once again flourishing there.

Immediately after Israel's June 1982 invasion and the subsequent Syrian onslaught in Tripoli, the PLO's infrastructure in Lebanon was in a shambles.

But the sources note the PLO sent cadres back into Lebanon and fun-

nelled in both arms and money. The sources estimate that the PLO now has roughly 10,000 armed men in the country, with 3,500 in Sidon, 2,500 in Beirut, 1,500 in the Bekaa Valley, 1,400 in the hills between Beirut and Sidon, 700 in Tripoli and 500 in Tyre.

Yasser Arafat's Fatah is the largest faction commanding some 4,000 men of whom 2,000 are in Sidon and 1,500 in Beirut.

This force can grow, the military sources say. There is no shortage of people willing to enlist, and the finances exist to pay the equivalent of \$300 a month to men with some military training and \$100 to \$150 to others who join the militias and serve on a part time basis. In Lebanese terms, that is a good salary.

The PLO's military capabilities and the rapport their Sunni leaders have with Sidon's Sunni leadership

enable them to control that town and some of the area east of it.

This has given the PLO an important advantage over the Shi'ites in southern Lebanon. One Israeli military analyst went as far as saying the Palestinians have a "stranglehold" over the Shi'ites.

The Shi'ites in the south, he explained, must pass through Sidon to reach northern Lebanon. The alternative route via Jezzine is controlled by General Antoine Lahad's SLA and is more dangerous.

The Palestinians' sense of confidence has therefore been enhanced and achievements in recent battles have given them a sense of pride.

The Palestinians suffered in Beirut where Amal used some 50 Syrian-supplied T-54 tanks to pound the refugee camps. But in the Sidon area the PLO had the upper hand,

and gave the Shi'ites such a trouncing that Amal appealed to Syria for help. Fatah commanders can therefore claim that it was their achievements on the battlefield that brought about the Syrian entry which put an end to the war in the camps.

The Fatah commanders appearing at the Palestine National Council in Algiers conveyed the feeling that they have attained the goals set for them in Lebanon. They had kept up the "armed struggle" against Israel, brought peace and security to the refugee camps, undermined the gains Israel had attained in the Lebanon war and united some of the Palestinian groups.

Accordingly Fatah has returned to the centre of the Palestinian arena in Lebanon and has become the single most dominant force there.

Delegation refuses authors' bid to visit Soviet Union

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. - An unsuccessful bid to win an invitation to the Soviet Union for Israeli authors was made yesterday by Hebrew Writers Association Chairman Ya'akov Orland during a sometimes tense meeting with members of a Soviet delegation visiting Israel.

The Soviets are the guests of the Israel-Soviet Union Friendship League.

Orland and his colleagues complained that Israelis know much more about Soviet literature than the Soviets do about what is going on here. The last anthology of Hebrew literature was published in the Soviet Union in the 1960's, Orland said, and much has changed since then.

Author Ben-Zion Tomer said that the lack of diplomatic relations between Israel and the Soviet Union should not be a serious impediment, since cultural exchanges with countries like Poland and Hungary are booming despite lack of diplomatic ties.

After three Israeli authors made the same point, Sergei Brozdin, head of the six-member Soviet delegation, had enough. He complained that Israelis' knowledge of Soviet literature also ends in the 1960's. "I've been here three days

and nobody has asked me anything about the new novel 'Children of Ahab' which has excited the Americans and the Italians and should interest you, too, because it's about the persecution of various peoples in the Soviet Union, including Jews, under Stalin."

A demonstration outside urging that relatives of Soviet emigrants be allowed to join their families in Israel also prompted a sharp remark from Brozdin.

"On Saturday, when we went to the ceremony in Jerusalem to commemorate the defeat of the Nazis, there were demonstrators of a different kind" he said. "They asked us how they can come back to the Soviet Union. We told them they didn't consult with us before leaving, so what do they want now?"

Though the meeting was supposed to be closed, several of the demonstrators came in and tried to participate. They were stopped by Orland and asked to leave.

The only practical outcome of the meeting which lasted more than two hours, was an invitation to author Hanoah Bartov to write an article for a Soviet literary periodical *Friendship Among Peoples* about the Israeli authors he considers most important.



Panamanian President Eric Arturo de Delvalle (left) and President Herzog participate yesterday in an official welcoming ceremony at the Rose Garden outside the Knesset. Ora Herzog is at the extreme left and Mariela de Delvalle at the extreme right. The de Delvalles were honoured last night at a State dinner hosted by Herzog at Beit Hanassi and attended by Prime Minister Shamir and Finance Minister Moshe Nissim. Both Herzog and de Delvalle stressed the close ties between Israel and Panama. De Delvalle, who is Jewish, said that his ancestors found refuge after the Inquisition first in Holland and then in Panama. Herzog drew a laugh when he observed that last night's dinner was the only such event attended by two Jewish heads of state. (Rahamim Israeli)

Shamir to visit Africa in June

Post Diplomatic Correspondent

Prime Minister Shamir is due to visit Zaire and Liberia, and perhaps a third African country, in June.

Shamir met in Jerusalem yesterday with visiting Zaire Secretary of Defence Likulia Bolongo. During

200,000 celebrate Lag B'Omer

Jerusalem Post Staff

Some 200,000 people gathered yesterday at Mt. Meron to celebrate as thousands of police and Border Patrolmen monitored traffic and kept order in the largest police operation of the year.

The visitors who came to mark the death of Rabbi Shimon Bar-Yohai, a second century sage who according to tradition, died on Lag B'Omer. Also on hand were representatives of some 150 yeshivot collecting money.

Elsewhere, the Habad movement organized parades for an estimated 300,000 children all over the country, at the order of the Lubavitcher Rebbe, Rabbi Menachem Mendel Schneerson.

The parades, which attracted both secular and ultra-Orthodox children, stressed the theme of Jewish unity. Magen David Adom treated 88 burn victims from Saturday night's bonfires around the country.

Master-plan approved for Druse village

The Druse village of Beit Jann in Upper Galilee yesterday had its master-plan approved, with the full support of the Nature Reserves Authority, which gave up 1,300 dunams of land to facilitate the plan.

The villagers last month protested against the authority for standing in the way of the village's development.

Air Force exercise

Post Defence Reporter

TEL AVIV. - The Israeli Air Force will today start holding a large-scale exercise in defending the country's air space. Planes will simulate attacks on targets all over Israel, while other planes have been assigned to defence.

The exercise, which is to end on Wednesday, will also disrupt civilian air traffic. Commercial airlines have been informed of the exercise.

RUBINSTEIN

(Continued from Page One)

embassy in Washington "which is paralyzed, and each side "sending envoys abroad to contradict one another."

Rubinstein described as "the last straw, which broke my back" the reported conclusion of the Likud-Shas deal on new religious legislation, "which contradicts the unity government's guidelines." Clause 31 stipulates the continuation of the status quo on religious legislation. The deal, if followed by legislation, will alienate "most of the West's Jews," said Rubinstein. "The court of Rabbis Yitzhak Peretz and Ovadia Yosef, causes disgust."

He said he did not believe the coalition will hold for long. "It is a disaster for Israel."

The perversion of the will of the majority by "six or seven, or eight MKs," showed the total bankruptcy of the proportional representation system, he said.

Shamir yesterday expressed regret at Rubinstein's resignation.

Speaker Hillel 'Solve crisis - or hold elections'

Knesset Speaker Shlomo Hillel believes that the continuing political crisis, which is "paralyzing the government," and disrupting "proper working relations" in the cabinet, is "an intolerable situation" and makes the holding of early elections imperative "for the good of Israel's democracy" - unless the politicians quickly resolve the crisis.

Hillel stresses that he usually tries to remain "above the battle" in controversial political issues. But when it comes to the "fundamental issues of democracy," he feels obliged to speak out, as he did in the past regarding Kach's Heir Kahane and racism.

On the international conference, Hillel, who is usually identified with the Labour Party's right wing, was willing to say only this: "The controversy now raging is the wrong controversy. The argument should not be about the tools [i.e., mode] of [Israeli-Arab peace talks] but about the substance. Both in my party and in the Likud [the politicians] prefer to argue about the route rather than about the substance itself."

IN PERSON BENNY MORRIS

Regarding elections, Hillel is adamant that the parties' campaigning should be cut down to four-six weeks. The three- or four-month hiatus between the time the Knesset votes for elections and the actual elections have been "costly, have put the parties in a bad light and have been harmful to Israeli democracy. Small democracies, like those of Britain and France, manage to do it in three weeks. Why can't we?"

Hillel fears, however, that the parties will subordinate the national interest to their own interests.

Hillel rejects the charge that the current efforts at horse-trading between the big parties and the small religious parties reflect badly on the Knesset. "These are matters of party not Knesset behaviour. They are not a product of the work of the Knesset and its committees. If MKs were barred from this [activity], then party secretaries-general and other officials would do it. The horse-trading is the result of the electoral system and the multiplicity of parties."

The Knesset, believes Hillel, has emerged strengthened from another phenomenon of the past year - the Knesset security services subcommittee's investigation of the Pollard affair. "I believe that the affair [Shin Bet, Iran arms sales and Pollard] have prompted the Knesset and its committees to move into an area that they had hitherto [kept their hands off]. By law, the Knesset is supposed to [supervise] such government activities. Now, this Knesset, is looking at implementation of the Bejski commission report and the Pollard affair, has taken a big step forward. The rules of the game have changed. Now the Knesset is better prepared to step in much earlier."

But Hillel is highly critical of the leaks that have occurred in the Pollard subcommittee's hearings.

Previously, says Hillel, the deliberations of the Knesset Foreign Affairs and Defence Committee and its subcommittee were known to be much more leak-proof than cabinet discussions.

Financier David Balas released from jail

TEL AVIV (Itim). - Financier David Balas was released from jail yesterday afternoon, after being held for a year. Balas, who is standing trial on charges of swindling the United Kibbutz Movement of large sums of money, was ordered released by the Tel Aviv District Court on bail of \$1 million.

When he could not raise that sum, he appealed to the Supreme Court, which ruled on Friday that he be released on condition that his home and shares worth NIS 1 m. be temporarily attached. Balas will not be permitted to leave his home until the end of the trial.

Jet-propelled drone tested

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. - Israeli scientists recently flew a small jet-propelled drone using a revolutionary concept employed in space flights.

The concept, vectored flight, could make wings and other essential parts of conventional aircraft redundant. Prof. Binyamin Gal-Or, head of the Jet Propulsion Laboratory at the Technion's Department of Aeronautics told the *Jerusalem Post* recently.

Instead of controlling the plane's altitude and direction with the help of the ailerons, elevators and rudder, the jet-propelled drone relies on the exhaust of very powerful jet engines.

The engines have special air inlets and rectangular exhaust nozzles that can be rotated 20 degrees up and down and 35 degrees sideways, Gal-Or explained.

The engines are located near the tail. For take-off they will direct the exhaust upwards, thus forcing the tail downward and lifting the plane's nose into the position necessary for takeoff. (Conventional aircraft must use a considerable part of the runway before they are capable of lifting their noses.)

The engine exhausts will then be shifted for takeoff.

Gal-Or said that in the five feasibility tests conducted so far, the small jet-propelled drones have been rolled in flight by changing the engine's angles. Each of the five flights, over the Ein Shemer airfield, lasted 10 minutes. Two other tests failed and the drones crashed during takeoff.

The new concept - once it becomes operational in planes, helicopters, low-flying cruise missiles and drones - could revolutionize air force tactics, Gal-Or said.

A pilot of such an aircraft could easily outmaneuver a conventional plane flown by the enemy.

Captain's accuser on heroin charge

TEL AVIV (Itim). - A former seaman, whose evidence helped to convict an Israeli merchant marine captain last year, was yesterday remanded in jail on charges of heroin smuggling.

Ze'ev Kornberg, 38, was remanded by the Tel Aviv District Court, after police said he had smuggled 49 grams of heroin into the country.

In March 1982, Kornberg took pictures of Captain Avner Gilad forcing a black stowaway onto a wooden raft in the sea off Mozambique. The case only came to light two years later, leading to a suspended sentence for Gilad in 1986.

Economist Myrdal, at 88

STOCKHOLM (AP). - Economist Gunnar Myrdal, who used his background in Sweden's welfare state to write classic works about the poor in America and in developing countries, died yesterday. He was 88.

LATE SPORT

Basketball: defending NBA champions Boston Celtics defeated the Milwaukee Bucks 119-113 yesterday in the seventh and deciding game of the Eastern Conference semifinals at the Boston Garden.

The Celtics will face the Detroit Pistons in the best-of-seven Eastern Conference finals. More sport, page 4.

Mrs. JULES JEFROYKIN
PIERRE and MICHEL JEFROYKIN
MICHELLE and JEAN-LOUIS GODIN

regret to announce the death of
DIKA JEFROYKIN
on May 9, 1987.

Burial took place privately on May 13, 1987.

7 rue de Saint Enoch
Paris 75017

In deep sorrow we announce the passing of my beloved husband,
our dear father, brother and grandfather
Adv. LUDWIG ECKER

The funeral will leave today, Monday, May 18, 1987 at 2:30 p.m. from the Municipal Funeral Parlour, 5 Dafa St., Tel Aviv, for the Kiryat Shaul cemetery. Transport will be available.

Shiva at the residence of the deceased,
14 Sderot David-Hamelech, Tel Aviv.

The bereaved:
His Wife: Ilse Ecker
His Son and Daughter-in-law: El Dan and Tova Ecker
His Daughter: Mira Ecker
His Sister and Brother-in-law: Fella and Josef Hausmann
His grandchildren and all the family

The Executive of
The Jerusalem Great Synagogue
deeply mourns the sad passing of their loyal supporter
ISAK LEVENSTEIN
of New Jersey, U.S.A.
and extend their sincerest condolences to
Sally and the family

Austrian anti-Semitism flayed Chancellor makes 'veiled criticism' of Waldheim

NEW YORK. — Austrian Chancellor Franz Vranitzky, on the eve of a visit to the U.S. has made a veiled criticism of President Kurt Waldheim. *The New York Times* reported yesterday.

"The newspaper said Vranitzky went out of his way in an interview to distance himself from Waldheim and never referred to the head of state as 'President'." The paper said Austrians place great importance on titles.

The *New York Times* said Vranitzky, who leaves for an official visit to the U.S. tomorrow, emphatically shook his head when asked if Waldheim had lived up to his pledge to be an activist who would inspire a moral renewal in Austria.

"I believe that he fulfills his functions," Vranitzky was quoted as saying. "But beyond that, considering the unique situation he's in, he is extremely busy with the other matter."

The paper said this was a reference to the controversy over Waldheim's alleged Nazi record during World War Two. The allegations led the U.S. on April 27 to bar Waldheim from entering the country.

Asked whether Waldheim should resign as president to spare Austria further embarrassment, Vranitzky said: "You must ask him."

In Vienna, meanwhile, Transport Minister Ferdinand Lacina yesterday condemned anti-Semitism in Austria in a speech commemorating the liberation of the country's most infamous Nazi death camp, Mauthausen.

Lacina evoked the horrors of the Holocaust and lambasted the lingering hatred for Jews in Austrian society.

Several Jews who regularly attended the annual event said Lacina's comments were among the strongest ever made by an Austrian politician. A government minister is invited to speak each year at the ceremony.

Mauthausen, about 120 km west of Vienna, was the last of the Nazi concentration camps to be liberated. American troops freed the inmates there on May 17, 1945. About 200,000 people — including 15,000 Jews — were murdered at Mauthausen, Austria's biggest death camp.

Lacina noted that opinion polls show that 7 per cent of Austrians declare themselves to be anti-Semites. "People say it is 'only' 7 per cent — 'only' 500,000 Austrians who place themselves in this category," he lamented.

"Too little has changed in this country, less than we had hoped and believed," he said.

Lacina, a socialist member of the government coalition with the conservative People's Party, said many Austrians seemed content with the results of the Holocaust.

"Those born afterwards are not personally guilty, but are the inheritors of a guilt which hardly has another example in history," he said.

In annexed Austria, "the disappeared Jewish neighbour... was not missed," he said. "His business, his (medical) practice, his being among us was suspicious and annoying. He was only too often a disliked competitor."

Sublimation of the Nazi era was "the order of the day" for many Austrians after the war, said Lacina. "The anti-Semite survived. The Jew was dead." (Reuters, AP)

Soviet tanker hits mine in Gulf

MANAMA, Bahrain. — A mine blew a large hole in the hull of a Soviet oil tanker as it approached Kuwait Saturday night, the Soviet news agency Tass reported yesterday.

Marine salvage executives in the Persian Gulf earlier said the vessel, the 67,980-ton Marshal Chukov, was the first of three Soviet tankers leased by Kuwait in a bid to stop Iranian attacks.

The Soviet report, however, did not mention the leasing. It said the vessel was being towed to Kuwait after the explosion, presumably to undergo repairs.

"There were no victims among the members of the crew," the Soviet agency said, apparently meaning no one was injured or killed.

The salvage executives, speaking on condition of anonymity, confirmed that the vessel had been damaged but said that it hit a reef.

Tass said only that the Marshal Chukov had run into a "sea mine," without specifying whether the charge had been laid by Iran or Iraq.

The conflicting reports about the cause of the damage could not immediately be reconciled.

A Soviet freighter, the Ivan Koroteyev, was attacked in the Gulf on May 6. Tass called the attack an "act of piracy."

Meanwhile, Iraq claimed its air force jets attacked and hit two oil tankers in the Gulf yesterday.

Iraqi planes regularly fire missiles on Iranian and foreign tankers ferrying Iranian crude oil in the Gulf as part of its drive to choke off Iran's economy and deprive it of revenue that helps the country continue the war.

Iran retaliates by intercepting ships believed to be carrying war goods for Iraq. It also recently stepped up attacks on Kuwaiti and other ships after charging Kuwait with actively supporting the Iraqi effort. (AP, Reuters)



Spanish police cordoned off the area outside the Air Force headquarters in central Madrid after a powerful car bomb exploded there yesterday morning. It was one of three bombs to go off around the capital early yesterday, killing one woman and injuring nine people. (AFP)

Basques suspected in Madrid terror blasts

MADRID (Reuters). — The police suspect that Basque terrorists are to blame for three car-bomb explosions outside military buildings in Madrid yesterday. A woman was killed and nine people injured.

The dawn blasts outside headquarters of the navy, air force and civil guard, the first in the capital this year, occurred almost simultaneously and came after a string of recent successes for the government in its fight against separatist violence.

Barely four months ago, police broke up the feared "Madrid Comandante" of Eta, the Basque terrorist group, and more than 50 wanted Basques have been expelled from France since last summer.

The bombs, which exploded about 5.30 a.m., set fire to parked cars, blew out windows and tore shutters from their hinges in the target buildings and in neighbouring shops.

No one immediately claimed responsibility but security officials said the attacks bore the hallmark of Eta, which has killed more than 500 people in its 19-year-old campaign for an independent Basque state.

Yesterday's attacks coincided with the start of the campaign for the June 10 elections to local councils, regional assemblies and the European Parliament. Officials said the terrorists were looking for a propaganda success to show they could still operate in Madrid.

Mock IAF raids on Sidon reported

Jemayel denies he'll quit

BEIRUT (AP). — Israeli warplanes yesterday staged a mock air raid on Palestinian refugee camps in south Lebanon, police reported, while president Amin Jemayel was quoted as denying he has threatened to resign over an unresolved cabinet crisis.

Police said four dynamite explosions shook west Beirut overnight, raising to 108 the total of such attacks since Syria deployed 7,500 troops to curb a three-year reign of feuding militias. No casualties or damage were reported.

Israeli jets crashed the sound barrier over south Lebanon's port city of Sidon and its Ein el-Hilweh and Mich Mieh Palestinian refugee camps in repeated low-altitude runs at mid-morning, police said. Palestinian fighters fired anti-aircraft guns at planes as thunderous sonic booms shook Lebanon's third largest city, but there were no bombing sorties.

Many of Israel's 15 previous air strikes in Lebanon, which killed 52 people and wounded 171 this year, were preceded by similar raids.

Meanwhile, President Jemayel, a Maronite Catholic, was quoted as saying by the Christian Voice of Justice radio, "I will serve out my term to the last minute."

His six-year term expires Sept. 23, 1988.

The radio said Jemayel made the denial to visitors who called on him at the presidential palace after the reported resignation threat. The report was broadcast Saturday by the Voice of Lebanon, the official radio of the Phalange Party inf Christian East Beirut and the independent Beirut newspaper An-Nahar.

The Cabinet crisis was touched off by the resignation of Syrian backed Sunni Moslem Prime Minister Rashid Karamah 15 days ago, prompted by the failure of his half-Christian, half-Moslem 10-man cabinet to cope with a worsening economic crisis triggered by 12 years of civil war.

FOREIGN BRIEFS

Former boxing champ turns Buddhist monk

BANGKOK (Reuters). — Former world boxing champion Samart Payakarun, smashed into defeat nine days ago, yesterday vowed to 'renounce his playboy lifestyle when he donned the saffron robes of a Buddhist monk and entered a monastery.'

Thailand's Samart, who lost his World Boxing Council super bantamweight crown to Jeff Fenech of Australia, was ordained in his home village Chonburi, 80 kilometres east of Bangkok, witnesses said.

Youths on rampage in West Berlin

BERLIN (AP). — About 250 youths rampaged through part of West Berlin after a rock music concert early yesterday, shattering store windows, torching parked cars and fighting with riot police.

A police spokesman said that 70 people were arrested and four policemen were injured.

The rioters, many of whom belonged to "punk" bands, also barricaded streets and started fires in the rundown Kreuzberg district of the city. Rocks were thrown at firemen and the police when they arrived. About 600 riot police restored calm to the area three hours after the unrest began.

Nine die in mid-air collision

SINT NIKLAAS, Belgium (AP). — Four Belgian parachute jumpers and five Britons were killed when two light planes collided in mid-air yesterday, police here reported. Police said the weather was clear when the planes collided and crashed in fields at about 1 p.m.

One of the planes was a British Cessna that had left Deurne Airport near Antwerp and was flying for Bristol, a police spokesman said. The second plane had taken off from Zoersel, also near Antwerp.

New Zealand troops on standby

Fiji impasse reported as coup chiefs stay silent

SUVA (AFP). — Fiji's national radio network yesterday failed to broadcast what it said would be "an important announcement" about the military government that took power in a coup on Thursday.

Radio Fiji had told listeners at 1 p.m. to stand by for a joint statement by Lieutenant-Colonel Sitiveni Rabuka, who led the bloodless coup, and Governor-General Ratu Sir Peniaia Ganilau, who has rejected it.

An announcer repeated the "standby" warning several times, but the radio network closed down at midnight (3 p.m. in Israel) without having broadcast it. Foreign diplomats said the announcement may be made this morning.

Political observers said the fact that a "joint announcement" was expected indicated that Ganilau and Lt.-Col. Rabuka had reached an agreement on their differences over the constitution.

One report said the governor-general had agreed to swear in Rabuka as head of government today. But a government source said just after midnight that an impasse had arisen. He did not elaborate.

In London, British radio reports yesterday said Rabuka has been sworn in as head of state and New Zealand troops have been put on standby for possible intervention in Fiji.

The BBC reported that Peter Thompson, an official at the Fiji

Information Ministry reached by telephone from London yesterday morning said Governor-General Ganilau swore in Lt.-Col. Sitiveni Rabuka shortly before the phone call.

The BBC — which said Red Harrison, its correspondent in the Fiji capital, Suva, was arrested yesterday with an Australian radio journalist — said it could get no confirmation of the report.

Meanwhile, the London Broadcasting Corp., a commercially funded station, carried without attribution a report by its correspondent in Wellington that New Zealand troops were on standby.

A New Zealand navy vessel arrived in Suva harbour Saturday for a port call that officials said had been arranged before the Thursday coup. They said the vessel was available to evacuate New Zealand citizens if trouble erupted.

In Canberra, Australian Prime Minister Bob Hawke said yesterday that Australian intervention in Fiji would be only "a last resort" in restoring the legitimate government there. Speaking to reporters after Fiji's deposed premier Timoci Bavadra appealed to Canberra and Wellington for assistance in restoring him to power, said, "Australia's not going to be rushing troops into that situation." The appeal was reportedly made through the Australian High Commissioner in Fiji.

Buckingham Palace said yesterday that Queen Elizabeth II was keeping close watch on the situation in the former British colony.

The queen — who is recognized as monarch of Fiji, a Commonwealth member, has spoken to Ganilau, but the Palace declined to say when their last conversation took place.



Veteran American actress Lillian Gish shows off the special plaque she was awarded at the 40th Cannes International Film Festival in recognition of her remarkable movie career, which spans most of this century. Gish, one of the last remaining stars of the silent screen, is in Cannes to present Lindsay Anderson's film *The Whales of August*, in which she co-stars with Bette Davis.

Social Democrats win Hamburg vote

FRANKFURT (AP). — West Germany's troubled Social Democrats regained government power in the Hamburg state parliamentary election yesterday, but voters upheld rule by Chancellor Helmut Kohl's Christian Democrats in Rhineland-Palatinate state.

The two state elections were viewed as a barometer on the national future of the beleaguered Social Democrats, who had suffered stunning losses in three state votes and a federal election within the past seven months.

ISRAEL POLICE



National Headquarters Investigations Division Missing Persons Search Department The Israel Police requests the assistance of the public in its search for

Missing Person, Jack Ben Avraham Landau last seen in Jerusalem on December 11, 1986, and whose whereabouts since then are unknown.

Description: 33 years old, height 175cm., thin build, short, sleek, reddish hair. Wears glasses. Speaks: English Anyone with information on his whereabouts, should contact the nearest police station or the National Headquarters/Investigations and Missing Persons Search Dept., Tel. 02-280423 or 02-287111, ext. 423. my012-25-F24

Public Committee for
Raoul Wallenberg

Ramat Gan
Municipality

A Tribute to RAOUL WALLENBERG Righteous Among Nations



The conferring of Honorary Citizenship of the City of Ramat Gan on Raoul Wallenberg Under the auspices of the Mayor

Mr. URI AMIT With the participation of Raoul Wallenberg's brother Prof. GUY von DARDEL

The ceremony will take place at 8 p.m. on Wednesday, May 20, 1987 at the Municipal Museum, 18 Hibat Zion Street, Ramat Gan.
Opening: HANAN ROZEN — Deputy Mayor
Greetings: URI AMIT — Mayor
STAFFAN DUHS — Chargé d'Affaires, Swedish Embassy, Israel
Summary: Prof. FRANCIS de KOROSY — saved by Raoul Wallenberg
ABBA EBAN — Chairman, Knesset Foreign Affairs and Defence Committee
Musical interlude: Brass quintet of musicians from the Israel Philharmonic Orchestra
Master of Ceremonies: DAN KONEN — Ministry of Education and Culture
An exhibition "A Tribute to Raoul Wallenberg" designed by the Society for Raoul Wallenberg, will be held in the Museum hall.

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All set to go for 1987 Israel Festival today

By LEV BEARFIELD
Jerusalem Post Reporter

Art hided its time yesterday as workers sweated in shaviv heat to make final preparations for today's opening of the 1987 Israel Festival in the capital.

Under a blazing midday sun, window washers hoisted themselves up and down the face of the Jerusalem Theatre complex, reminiscent of Japan's daredevil Sankai Juku Theatre group who memorably opened the Israel Festival a few years back by slithering down ropes head first from the ramparts of the Old City.

In the plaza below, other workmen assembled the crafts booths that will be open every evening from tomorrow until the programmes end on June 14. Progress on the booths was impeded by the fact that the sun had made the metal frames virtually too hot to handle.

Labourers reported similar problems as they struggled to assemble the stage around the other side of the theatre complex, where free children's programmes will be offered

daily at 4:30 p.m.

But the most dramatic bit of festival preparation was centre stage outside the Henry Crown Theatre, where Tel Aviv artist Motti Mizrahi was supervising the installation of *Ha'Halutz* (The Pioneer) — a six-metre-tall sculpture especially commissioned for the festival.

Coated in screaming yellow gouache and marine paint, the Shiva-like Pioneer swings six light bulb-studded pickaxes from as many arms.

"It's the tallest statue I've ever done," the 41-year-old artist told *The Jerusalem Post*. "We had quite a time trucking it up here from my studio in Givatayim. We had to stop and trim tree branches and move electrical cables and so on to get it here. It's my salute to those golden workers who built this country — back in a time when artists were also respected as contributors to the building of our nation."

Mizrahi's *Ha'Halutz* is to be dedicated tomorrow at 6:30 p.m. in the presence of Education and Culture Minister Yitzhak Navon.



Meanwhile, a kilometre away at the Cable Restaurant next to the Mt. Zion Hotel, French high-wire artist Philippe Petit was making final preparations for his 300-metre-long balancing act over the Hinnon Valley today at 5:30 p.m. — the event that officially opens the month-long festival.

The performer's cable parallels the cable that the Hagana stretched across the valley in 1948 to get supplies to Mount Zion. A replica of that cable remains in place beneath Petit's wire.

His half-inch steel cable, provided by the factory at Kibbutz Messit, was in place at the end of last week after five days and nights of rigging and gaffing, but final tests and adjustments to clamps, turnbuckles and hoists will continue through today and tomorrow.

"Wind is the great enemy of the wire artist," said Petit's manager Kathy O'Donnell. "It was quite windy as Philippe and his brother were installing the cable last week, but it's very still today, so we're glad about that. This heat, though, doesn't help. It means that Philippe is just going to have to work that much harder on the wire."

O'Donnell said that the Hinnon stroll is the longest that the 37-year-old performer has yet attempted — although, at a height of about 60 metres, it is not the highest.

"The highest was between the towers of New York's World Trade Centre in 1974," she said. "That was an 'unauthorized' performance in which he crossed between the towers seven times before the police finally managed to get hold of him. They arrested him — but when Philippe slipped out of the handcuffs and landed them back, that's when the police really began to appreciate him."

Petit's performance today is slated to take between 15 and 25 minutes, depending on weather conditions.

The artist, who has also walked between the towers of Notre Dame Cathedral in Paris and atop the Sydney Harbour Bridge, on occasion has had to delay performances because of weather conditions — but has never cancelled.

"He isn't just a stuntman," said O'Donnell. "He's a theatre director, directing the musicians down below, and directing himself — up above on a very narrow stage. And the only safety net he ever uses is the one in his head."

Back at the Jerusalem Theatre, meanwhile, as the New Israel Opera Company was rehearsing *La Traviata*, the festival office reported that about a dozen of the festival's 70 offerings have been sold out and that tickets are becoming scarcer for many other performances.

One scheduling change was also announced: Some of next week's Jerusalem performances of the dramatization of Kafka's *Amerika* have been rescheduled for June 6 and 7. Ticketholders should exchange their tickets for the new dates.

Casino-yacht begins operating off Eilat

By BRADLEY BURSTON
For the Jerusalem Post

EILAT. — The Royal Princess, a yacht outfitted as a floating casino, began its first day of regular operations yesterday. Gaming tables were opened as the vessel left Israeli territorial waters.

The dozens of eager Israelis who boarded in Eilat harbour for the daily cruise along Sinai beaches were required to present valid passports and IDF exit permits. Foreign tourists were required to fill out the standard entry form used in airports and border crossings.

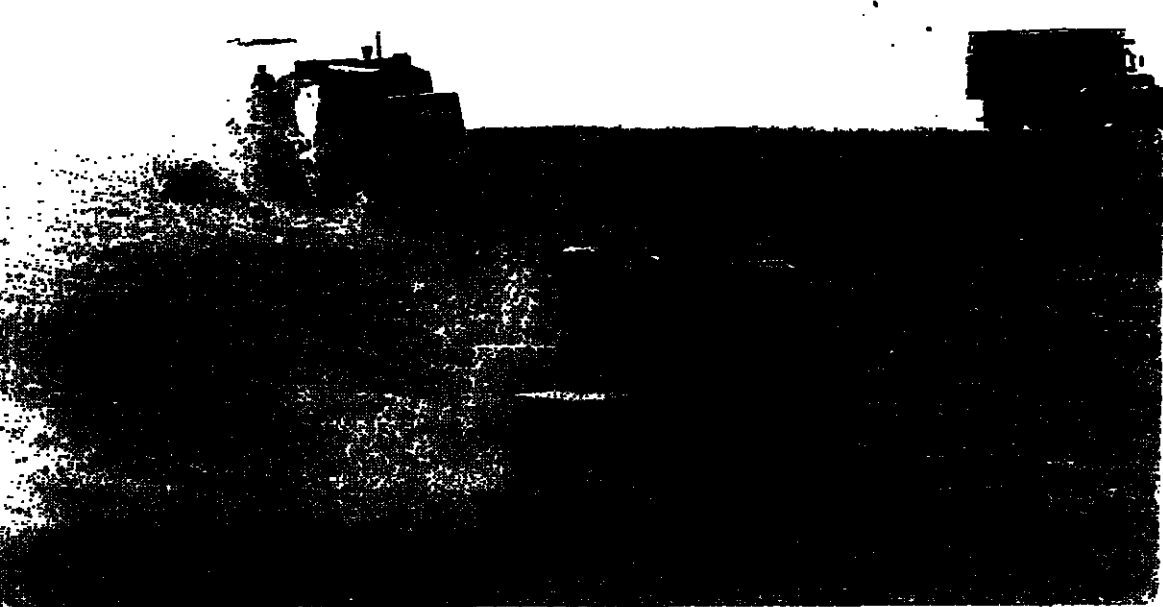
Said garage owner Aryeh Dinstein of Holon, buying a roll of chips to replace a depleted stack: "This is the most enjoyable way I've found to

lose your money in Israel."

In recent weeks, Eilat Mayor Rafi Hochman and local hoteliers have been pressing for passage of a Knesset bill legalizing casinos for foreign tourists in Eilat, but the measure, opposed by the Israel Police, is stalled in committee and is unlikely to come to a vote soon.

Spanish Moroccan Jews to meet in Tangier

The World Organization of Jews from Spanish Morocco is to hold its congress in Tangier this summer. The decision to hold the meeting in Morocco was approved by the Moroccan authorities and by the Israel Foreign Ministry. (Itim).



Combine harvesters in action yesterday in a Negev wheat field during the peak of the harvesting season. This year's rains have produced a bumper wheat crop. (IIPA)

LA Jewish paper, a financial flop, being sold

By TOM TUGEND
Jerusalem Post Correspondent

LOS ANGELES. — Los Angeles' largest Jewish newspaper has been consistently losing money since its startup 15 months ago and will probably be sold to a successful Baltimore publisher.

A decision on the future of the *Jewish Journal* is likely to be taken by the Jewish Federation Council of Greater Los Angeles (JFC), which has heavily subsidized the paper, at a closed board meeting tomorrow.

will consider, the favourite appears to be a bid by Charles A. Buerger, publisher of the *Baltimore Jewish Times* and the *Detroit Jewish News*.

Buerger has been conducting negotiations with the *Journal's* directors on and off for the last six months. Proposed figures on the paper's sales price range from \$200,000 and a pledge to invest \$500,000 in its operation, to a surprisingly high \$1.5 million.

Los Angeles has three competing Jewish papers — *B'nai B'rith Messenger*, *Heritage*, and *Israel Today*.

Reporters from all three have expressed frustration in obtaining complete details for their stories from Federation officials. Those same officials have apparently been less reticent in talking to two major dailies, the *Los Angeles Times* and the *Daily News*.

The *Jewish Journal* was launched in December 1985, when the JFC shut down its weekly house organ, the *Jewish Community Bulletin*, fired its staff, and announced the start of the new weekly, which would supposedly be independent of fed-

eration control.

A two-year \$663,000 loan from the federation, a \$3 subsidy per subscription, and the old house organ's mailing lists and advertising contracts helped get the journal off the ground.

In addition, every contributor to the United Jewish Fund/Israel Emergency Fund has received the *Journal* free, giving the paper instant circulation of 58,000 larger than three other Jewish papers combined, and an enormous edge in

competing for advertisers.

To guide the paper's policy, the JFC president named a board of 13 directors. The board has to appoint 12 additional directors, but to date has named only two. Gene Lichtenstein, ex-chairman of the journalism department at the University of Rhode Island and formerly of the *New York Times* and *The Economist* in London, was named editor-in-chief.

The new-born *Journal* was initially well received, especially when contrasted to its drab predecessor.

Avi Cohen joins Glasgow Rangers Souness gets his man

Post Sports Staff

European interest in Israeli soccer continues apace. Within days of Eli Ohana's contracting to play in Belgium next season, National team captain Avi Cohen has been snapped up by Glasgow Rangers on a two-year contract.

Graeme Souness, the player-manager of the Scottish champions, has long been a fan of the Maccabi Tel Aviv player. This goes back to the days when they played together at Liverpool. Souness renewed his acquaintance last week when Israel turned in such a charmed performance in their 3-0 drubbing of Liverpool while Rangers watched from the sidelines after their own defeat at the hands of the Israel Olympic side.

The Rangers boss brought it to the attention of the Maccabi management that his interest in Cohen had been re-kindled and he was anxious to clinch the deal before departing.

Moving with uncharacteristic alacrity, Maccabi agreed to the deal and Cohen will begin training in Glasgow in July in preparation for

next season. Souness has him slotted in a potential right back position.

The fee was not officially disclosed but it is believed to be a bargain — a mere \$75,000. Maccabi, however, stand to gain in another way. Releasing Cohen, 30, means they will not have to meet the hefty \$220,000 two-year contract which they had signed with him.

The Rangers deal also offers Cohen and the club a two-way option for the contract to be extended for a third year.

The national team and the Olympic squad both flew to Switzerland yesterday for a double header against the two comparable Swiss sides tomorrow. Missing was Betar Jerusalem star Uri Maimon whose ever-troublesome knee has again been playing up. He took a severe knock during Saturday's match against Maccabi Netanya and is also doubtful for the State Cup semi-final encounter with Maccabi Tel Aviv next week. Betar are keen that he get all the rest he can.

National coach Mihailo Milić included a Betar teammate of Maimon's, the sturdy centre-back Udi Assaf as a replacement in the squad.

Betar Jerusalem announced last night that Mordechai Spiegel will coach the champions next season.

BASEBALL

Orioles' Lynn on a tear

ANAHEIM (AP). — Fred Lynn's sixth-inning homer, his sixth in his last nine games, snapped a 2-2 tie and powered the Baltimore Orioles over the California Angels 4-2.

Elsewhere in the American League, it was the Oakland Athletics 10, Toronto Blue Jays 3; Texas Rangers 7, Chicago White Sox 2; Detroit Tigers 5, Cleveland Indians 3; Boston Red Sox 6, Minnesota Twins 1; Milwaukee Brewers 13, Kansas City Royals 0; Seattle Mariners 10, New York Yankees 0.

In St. Louis, Jack Clark drove in three runs with a homer and a double and Curt Ford also homered, leading the Cardinals past the Cincinnati Reds for their fourth straight win.

Elsewhere in the National League, it was the Atlanta Braves 10, Pittsburgh Pirates 3; Montreal Expos 10, Los Angeles Dodgers 3; San Francisco Giants 5, New York Mets 4 (10 innings); Philadelphia Phillies 6, San Diego Padres 0; Chicago Cubs 2, Houston Astros 1.

Platini quits soccer

In Paris, Michel Platini, captain of the French national side and the only player to be crowned European footballer of the year three years in succession, yesterday announced his retirement from the game.

"I have decided to quit the game but I cannot hide my sadness," Platini, who will be 32 on June 21, said in the statement. He added: "I couldn't continue because the pleasure of playing had gone."

SCOREBOARD

ATHLETICS: Ethiopian Abebe Mekonnen broke away from competitor Teferra Gata in the final 7 kilometers to win the Paris Marathon, but barely missed setting a course record. He was timed in 2 hours, 11 minutes and 9 seconds, just 28 seconds off the record.

MOTOR RACING: World champion Alain Prost of France drove his McLaren to victory in the Belgian Grand Prix to equal British Jackie Stewart's record of 27 Grand Prix wins.

SOCCER: Remains of semifinal matches in English league soccer play-offs.

Division One/Two: Charlton 2, Ipswich 1 (aggregate 2-1); Oldham 2, Leeds 1 (aggregate 2-2, after extra time, score at 90 minutes 2-1. Leeds win on away goals rule).

Division Two/Three: Sunderland 4, Gillingham 3 (aggregate 6-6). Gillingham win on away goals rule; Swindon 6, Wigan 0 (aggregate 3-3).

Division Three/Four: Wolves 6, Colchester 0 (aggregate 2-0).

Bolton 2, Aldershot 2 (aggregate 2-3.)

On course for Roland Garros

ROME (Reuters). — Mats Wilander, hailed by John McEnroe as the best clay court tennis player in the world, cruised calmly to his first Italian Open title yesterday and said he had never felt so confident of winning the French Open.

Wilander, who had crushed McEnroe in straight sets on Saturday defeated 11th seed Martin Jaita of Argentina 6-3 6-4 6-4 to become the first Swedish champion since Bjorn Borg beat Italy's Adriano Panatta in 1978.

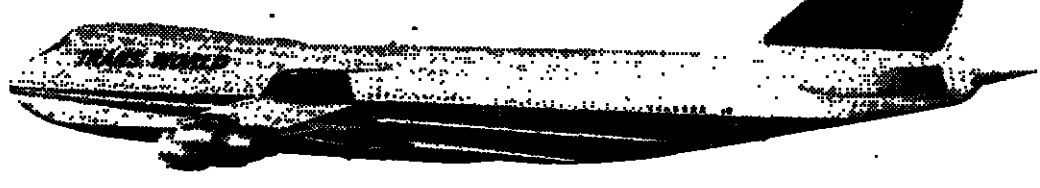
West Germany's Steffi Graf confirmed her status as hot favourite for the first Grand Slam title of her young career at the French Open by cruising to her sixth title of the year.

Graf, 17, the world's no. 2, beat third-seeded compatriot Claudia Kohde-Kilsch 6-2 6-3 to win a largely one-sided final in the German Women's Open in West Berlin.

NBA PLAYOFFS

Western Conference Finals: Los Angeles Lakers 92, Seattle SuperSonics 87 (Lakers lead series 1-0).

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TODAY'S ENTERTAINMENT

TELEVISION

EDUCATIONAL TV

8:00 Telecast 8:00 Keep Fit 8:15 School Broadcasts 14:00 Talent 14:05 Keep Fit 14:15 Making Magic 14:30 Surprise Train 15:00 Mrs. Pepperpot — animated film 15:15 Family Problems 15:55 Keep Fit 16:05 Five Mile Creek (part 2) 17:00 A New Evening — live magazine 17:30 CBS News 17:35 The CBS News (part 2) 18:15 Philippe Petit walks across Gal Ben Hinnon on a tightrope — live broadcast 18:30 News roundup 18:32 Ramadan Quiz 19:00 Sports 19:30 News 19:35 HEBREW PROGRAMMES resume at 20:00 with a news roundup 20:02 The Citadel, Part 2 of a 10-part American drama serial based on the novel by A.J. Cronin, starring Ben Cross, 21:00 Mabat Newsweek 21:30 Executive Stress. British comedy series starring Penelope Keith and Geoffrey Palmer 22:00 This is the Time 22:50 Miami Vice. American police detective series starring Don Johnson and Philip Michael Thomas 23:35 News 23:40 JORDAN TV (unofficial) 17:30 Cartoons 18:00 French Hour 19:30 News in Hebrew 20:00 News in Arabic 20:30 Ever Decreasing Circles 21:10 moonlighting 22:00 News in English 22:20 Fair stood the Wind from France

MIDDLE EAST TV

12:30 Another Life 14:00 700 Club 14:30 Shape-Up 15:00 Afternoon Movie: It's Only Money 16:30 Muppet Babies 17:00 Super Book 17:30 Fraggles 18:00 Happy Days 18:30 Laverne & Shirley 19:00 News 20:00 Magnum P.I. 21:00 NBA Playoffs 23:00 700 Club

RADIO

VOICE OF MUSIC

6:02 Morning Melodies 7:00 Mendelssohn: Youth Symphony No. 4; Mozart: Piano Concerto No. 22 (Richter, Philharmonia); Beethoven: Piano Trio Op. 97; Schumann: Symphony No. 3, 8:00 Edgar: Introduction and Allegro for Strings (English Chamber/British); Bruch: Violin Concerto Op. 26; Brahms: Sonata for Cello and Piano Op. 99 (Harrill, Ashkenazy); Shostakovich: Piano Quintet Op. 57; Stanham: Serenade Op. 31 (Stochholm/Kubelik) 12:00 Gussak: The Madrigals; Beethoven: Variations on a Theme from "The Magic Flute" by Mozart; Scriabin: Piano Sonata No. 3 13:05 Bach: Suite No. 2; Telemann: Cantata for Soprano, Flute and Continuo; Haydn: Trio in F major; Mozart: Quartet for Piano and Strings K.470; Schumann: Sonata for Violin and Piano Op. 105; Schubert: Symphony No. 5 18:00 "Wozeck" by Berg, Part 6 (recast) 18:00 From the World's Concert Halls Organ Festival — Works by Bach and Widor 18:00 Emphasis on the Performance 19:00 Wind Instrument Orchestras 20:00 Musical Medley 20:30 From the World's Concert Halls — International Contact for Performers in Nuremberg — Tele-

mann: Concerto for Trumpet and Strings; Arias by Gluck, Bellini and Donizetti; Movements from Cello Concerto by Haydn and Dvorak 22:30 Then and Again 23:00 Brahms: Songs; Tchaikovsky: Chamber Music

RADIO 1st

6:03 Programme for Oflm 7:30 Programme in Easy Hebrew 8:05 Compass — with Benny Harel 9:05 Information for Listeners 10:05 Morning Pearls 11:10 School Broadcasts 11:30 Folk songs 12:05 Mid-East Medley 13:00 News in English 13:30 News in French 14:00 Children's programmes 15:30 Education for all 16:05 The Middle Years 17:20 Everyman's University 18:05 Jewish Traditions 18:05 Reflections on the Portion of the Week 19:20 Bible Reading 19:30 Programmes for Oflm 22:05 Every Man has a Star — with astrologist Ilan Pecher

RADIO 2nd

6:12 Gymnastics 6:30 Editorial Review 6:53 Green Light — drivers' corner 7:00 This Morning — news magazine 8:05 Making an issue 9:05 House Call — with Haim Keinan 10:05 All Shades of the Network — morning magazine 11:30 Safe Journey 12:10 O.C. on Two 12:00 Midday — news commentary, music 14:00 Culture and Arts Magazine 14:30 Humour 15:05 Magic Moments 16:05 Songs and Homeword 17:00 Economics Magazine 18:05 Evening Star — Frank Sinatra 18:45 Today in Sport 19:05 Today — radio newsweek 19:35 Law and Justice Magazine 20:30 Centennial Hit Parade 22:05 Jazz Corner 23:05 Night Games

ARMY

6:05 Morning Sounds 6:30 Open Your Eyes — songs, information 7:07 "707" — with Alex Ansky 8:00 Good Morning Israel 9:05 In the Morning — with Eli Yisrael 10:05 Coffee Break — with Michael Niv 11:05 Right Now — with Rafi Resher 13:00 Good Place in the Centre 15:05 What's Missing — with Erez Tal 16:05 Four in the Afternoon 17:00 Evening Newsweek 18:05 The Heart behind the ID Disk 19:05 Hebrew songs 20:05 Classical Music Magazine (recast) 21:00 Mabat — TV newsweek 21:30 Israeli songs 22:05 Popular songs 23:05 The 24th Hour 00:05 Night Birds — songs, chat

ARMY TWO

18:05 Military Radio — with Yoav Kutner 20:05 Information, regards and radio games for soldiers on duty 22:05 Popular songs 23:05 All That Jazz

VOICE OF AMERICA

12:00 Kholer: 6-7 and 9-10 a.m. — Daily breakfast show with news, popular music and interviews. 6-30 p.m. — News roundup. 6:30-7 p.m. — VOA Magazine Show. 7-7:15 p.m. — News in Special English for Students of English. 12 midnight-1 a.m. — VOA World Report with news, background and analysis.

CINEMA PERFORMANCES

JERUSALEM

Bait Agmon: Chitty Chitty Bang Bang 3:30; Macbeth 5:30; The Clan of the Cave Bear 8; Montenegro 10; Cienfuegos: Im Lauf der Zeit 7; Tartuffe 7; La Femme de l'Hotel 9:30; A Generation 9:30; Eden: Half Moon Street (Escort Girl) 4:30, 7:30, 9:30; Edson: Over the Top 4:30, 7:30, 9:30; Madama: The Plumber 5:15, 7:30, 9:30; Kfir: Bright on Beach Memoirs 4:30, 7:30, 9:30; Mitchell: Children of a Lesser God 7:15, 9:30; Orgel: Tin Men 4:30, 7:15, 9:30; Orion 1: Extremities 4:30, 7:15, 9:15; Orion 3: Crocodile Dundee 4:30, 7:15, 9:15; Tarazon in the Morning 11:45, 2, 4, 12, 9:30; Pezet Flash, 4:30, 7:15, 9:15; The Chase 11:15 p.m.; Orion 5: Peggy Sue Got Married 7:15, 9:15; Miki and Maude 11:15 p.m.; Orna: Little Shop of Horrors 4:30, 7:15, 9:15; Ron: Malcolm 4:30, 7:30, 9:30; Samadai: Platoon 7:15, 9:15.

TEL AVIV

Bait Leesias: Fearless Vampire Killers 11:15 p.m.; Ben Yehuda: Brighton Beach Memoirs 5, 7:15, 9:30; Chan 1: Tin Men 5, 7:30, 9:45; Chen 2: Crimes of the Heart 5, 7:30, 9:45; Chen 3: Soul Man 5, 7:30, 9:45; Chen 4: Oxford Blues 11, 2, 5, 7:30, 9:40; Chen 5: Color of Memory 11, 2, 5, 7:30, 9:45; Cinnamon One: Golden Child 5, 7:15, 9:30; Cinnamon Two: Hannah and Her Sisters 5, 7:15, 9:30; Deikel: Crocodile Dundee 7:15, 9:30; Diamondoff 1: Decline of the American Empire 11, 1:30, 5, 7:30, 9:40; Diamondoff 2: A Room With a View 11, 1:30, 5, 7:30, 9:40; Diamondoff 3: La Frontiere 11, 1:30, 5, 7:30, 9:40; Drive-In: Light Blast 8, 10; Sex film 12 midnight; Esther: Eight Million Ways to Die 5, 7:15, 9:45; Gati: Little Shop of Horrors 5, 7:30, 9:45; Hakodesha ZOA: Moses: Smooth Talk 5, 7:30, 9:30; Hod: Extremities 5, 7:15, 9:30; Israel Cinema: matinee: Faust 7:15; Love Me Tonight 9:30; Law 1: Down by Law 2, 5, 7:30, 9:40; Law 2: Clockwise 5, 7, 9:40, 9:40; Law 3: Mo'et 2, 5, 7:30, 9:40; Law 4: Tenue de Soiree 2, 5, 7:30, 9:40; Limer: Halleluiah: The Fourth Protocol 4:30, 7, 9:30; Maxine: Highlander 5, 7:30, 9:30; New Gordon: Escort Girl (Half Moon Street) 5, 7:30, 9:15; Orly: Children of a Lesser God 4:30, 7:30, 9:30; Paria: Betty Blue, 37 Degrees in the Morning 11:45, 2, 4, 12, 9:30; Pezet My Life as a Dog, 5, 7:30, 9:30; Shmuel: Platoon 4:30, 7, 9:30; Shimon: The Plumber 5, 7:30, 9:40; Tamsar: Altered States 7:30, 9:40; Tebelet: Round Midnight 4:30, 7, 9:30; Tel Aviv: Over the Top 5, 7:15, 9:30; Tel Aviv Museum: Always, 7:30, 9:30; Zafon: The Name of the Rose 4:30, 7, 9:45

HAIFA

Amphitheatre: Platoon 4, 6:30, 9; Amos: The Seduction 4:30, 6:30, 9;

RAMAT GAN

Armon: Crocodile Dundee 5, 7:15, 9:40; Lily: The Fourth Protocol 7:15, 9:30; Osele: Eight Million Ways to Die 5, 7:15, 9:30; The Plumber 4:30; Orna: Over the Top 4:30, 7:15, 9:30; Rev-Gem 1: Peggy Sue Got Married 5, 7:25, 9:45; Rev-Gem 2: Trouble in Mind 5, 7:30, 9:45; Rev-Gem 4: Little Shop of Horrors 5, 7:30, 9:45

HERZLIYA

Dan Accadia: Mona Lisa 7, 9:30 (exc. Thur.); Daniel Harel: A Room with a View 6:45, 9:30 (exc. Wed.); David: Platoon 5, 7:15, 9:30; Michael: Over the Top 5, 7:15, 9:30; New Tiffet: Malcolm 4:30, 7:30, 9:30

HOLON

Armon Halleluiah: Mosquito Coast 7:15, 9:30; Halleluiah: Tough Guy 7:15, 9:30; Savoy: Children of a Lesser God 5, 7:15, 9:30

BAT YAM

Armon: Over the Top 5, 7:15, 9:30

GIVATAYIM

Bait: Children of a Lesser God 4:30, 7

RAMAT HASHARON

Kocher: Terminator 7; Hannah and Her Sisters 9:30

PEYAH TIKVA

G.G. Michael 1: Over the Top 4:30, 7:15, 9:30; G.G. Michael 2: Children of a Lesser God 4:30, 7, 9:30; G.G. Michael 3: Decline of the American Empire 4:30, 7:15, 9:30

RESHON LEZION

G.G. Ron 1: Over the Top 4:30, 7:15, 9:30; G.G. Ron 2: Children of a Lesser God 7, 9:30

KFAR SAVA

Bait: Ben Cinnamon (Tarbuton): Platoon 7:15, 9:30

KIRYAT ONO

Cinema: Hannah and Her Sisters 9

WHAT'S ON

Notices in this feature are charged at NIS 8.85 per line, including VAT. Insertion every day of the month costs NIS 177.10 per line, including VAT, per month.

JERUSALEM

Museums

ISRAEL MUSEUM. Exhibitions: New Exhibitions: Islamic Jewelry, treasures of the 8th cent. to modern times (opens 18.5.87). Continuing Exhibitions: 0. Salomon's Seal, 1808-1890, "Achilles Among the Daughters of Lync

Helping The Contras

Reagan Says His Effort To Promote the Rebels Was Right — and Legal

By FOX BUTTERFIELD

WASHINGTON
THE disclosures came in bits and pieces last week, buried in the impressive, often disjointed testimony of Robert C. McFarlane, President Reagan's former national security adviser. But they added up to a new picture of the President's role in the Iran-contra affair, a picture very different from that drawn by the Tower Commission last February.

Instead of the detached President of the commission report, whose "personal management style" left him ignorant of key aspects of his own policies toward Iran and the Nicaraguan rebels, the President described by Mr. McFarlane was active and involved.

Mr. McFarlane testified before the Congressional committees investigating the Iran-contra affair that he briefed the President "dozens" of times on what he and his aides, including Lieut. Col. Oliver L. North, were doing to help the rebels. He would "mention occasionally" to the President that Colonel North might be tempted to solicit money for the contras at speaking engagements nationwide. Mr. McFarlane said, an activity he thought would be illegal under the Boland Amendment restricting Government aid to the contras in 1984, 1985 and 1986.

He also recalled that Mr. Reagan himself had discussed raising money for the contras during a visit by King Fahd of Saudi Arabia in 1985, just before the Saudis doubled their contribution from \$1 million to \$2 million a month.

In an equally telling bit of testimony, Mr. McFarlane said that it was President Reagan

another interpretation of the Boland Amendment, contending it never limited Mr. Reagan's "constitutional and historical power" to manage the nation's foreign policy — only his power to spend Government money.

Mr. Reagan, meeting with journalists Friday, said, "As a matter of fact, I was very definitely involved in the decisions about support to the freedom fighters — my idea to begin with." He softened earlier White House statements that he recalled nothing of any effort to free the hostages. Saying he was having "some trouble remembering that," he said he might have approved a plan to hire people to stage a rescue, but "I've never thought of that as ransom."

To committee members, one of the most important parts of Mr. McFarlane's testimony was his suggestion that Colonel North may actually have been working for William J. Casey, the late Director of Central Intelligence. Mr. McFarlane said his suspicions were aroused in the fall of 1985 when he became aware "that Ollie had more contacts with the Director than I had realized."

Republican Senator William S. Cohen of Maine said that he and other committee members believe that when Colonel North told Mr. McFarlane he had obtained higher "authority" to divert funds from the Iran arms sales to the contras, he was referring to permission from Mr. Casey, not President Reagan. Some other committee members believe Colonel North was simply an opportunist who turned to Mr. Casey for help when Mr. McFarlane was reluctant to test the limits of the law. The exact relationship between Colonel North and Mr. Casey will be impossible to confirm, because Mr. Casey died earlier this month. Mr. North, who is not scheduled to testify till June, has so far kept silent, pleading his constitutional right against self-incrimination.

'As a matter of fact, I was very definitely involved in the decisions about support to the freedom fighters — my idea to begin with.'

President Reagan

White House began shifting its defense. Before the hearings, the White House had kept attention focused on only one issue: what the President knew about the diversion of profits from the Iran arms sales to the contras. The Tower Commission found no evidence that Mr. Reagan was aware of the diversion, and the White House said it was piecemeal.

Last week, however, the Administration acknowledged that the subject of Saudi contributions for the contras had come up during Mr. Reagan's meeting with King Fahd, but said that it was the King who raised the matter and that, in Mr. Reagan's words, there was no solicitation that "knew of" any kind. As Mr. McFarlane testified in his testimony, the Administration believed that a foreign country wanted to donate money for the contras that was legal. Only active solicitation was barred.

But by the end of the week, after further testimony by Capitol Hill, the White House advanced

Asian and Pacific Affairs, was typical. In 1985, while he was at the National Security Council, Mr. Sigur testified, Colonel North asked him to ask an Asian country, known to be Taiwan, to contribute \$2 million for the contras, and also to get help from China in selling them SA-7 missiles. "There was never a question in my mind that Colonel North spoke for Mr. McFarlane," Mr. Sigur told the committees. "I assumed that something of this kind was probably something which had governmental clearance."

Such unquestioning obedience is the fabric of bureaucracy, a senior Administration official said. "This is the only way government can work," he said. "You have to have full faith in your colleagues. People work all day long with very little knowledge of what lies behind a given policy. I don't go ask the President if he approves every time I am told to do something." That is the reason, the official added, "that lying inside the government is absolute murder."



Robert C. McFarlane, waiting to testify before the Congressional committees investigating the Iran-contra affair.

Iran-Contra Affair: The Unfolding Story

Testimony by Robert C. McFarlane dominated not only last week's Congressional hearings on the Iran-contra affair, but also the attention of White House strategists. Highlights of the week's developments follow.

• Mr. McFarlane said he believed the President "dozens" of times on the Administration's secret efforts to funnel private aid to Nicaraguan rebels. Mr. Reagan, who had previously implied lack of knowledge about details of the program, acknowledged that he was "very definitely involved" in it. But he insisted he did not know that profits from the sale of arms to Iran had been diverted to the contras.

• Mr. McFarlane said Mr. Reagan personally approved a secret plan, ultimately unsuccessful, to pay \$2 million in ransom for American hostages in Lebanon. Mr. Reagan said

he did not recall any ransom plan but might have approved hiring rescuers.

• Mr. McFarlane said he believed William J. Casey, the late Director of Central Intelligence, regularly gave instructions to Lieut. Col. Oliver L. North. And he conceded that he had not given a "full account" of the affair to Congress last year.

• The President acknowledged that he and King Fahd discussed Saudi Arabia's secret aid to the contras when the King visited Washington in 1985. But Mr. Reagan said that it was the King who brought up the subject.

• The White House said Mr. Reagan had a Constitutional right to conduct the nation's foreign policy, including provision of aid to the contras, despite the laws in place from 1983 to 1985 that restricted such aid.

• Robert Owen said that, as a courier between Colonel North and contra leaders, he carried envelopes full of cash from a White House safe, C.I.A. maps and Colonel North's tactical advice about military strikes.

• An hour after Mr. Owen asserted that Johnathan S. Miller, a mid-level White House aide, had helped him make payments to contra leaders, Mr. Miller resigned from his job.

• Senate investigators said they had located \$10 million that was donated to the contras by the Sultan of Brunei and was reported to have been mislaid. Colonel North had transposed two numbers in making the electronic transfer of funds, and a Swiss businessman had found an unexpected \$10 million in his account. He returned the money.

Shamir and Peres Battle Openly Over the Peace Process

Last Straw for Israel's Odd Couple

By THOMAS L. FRIEDMAN

JERUSALEM
THE last vestiges of unity were squeezed out of Israel's national unity Government last week during a bitter Cabinet debate over whether or not to attend an international Middle East peace conference.

The Government may still drag on for a few weeks or months; individual ministers will do their jobs, although more out of instinct than direction from above. But the men at the top, Prime Minister Yitzhak Shamir of the Likud Party and Foreign Minister Shimon Peres from Labor, are united now by only one thing: a common desire to get rid of each other.

"My guess is that the Government will somehow manage to keep going for a while, with both sides working from the inside to avoid the other," said Daniel J. Elazar, director of the Jerusalem Institute for Public Affairs. "The only difference is that the odd couple running it will be just a little more odd."

Matters came to a head last week when the 10-member policy-making inner Cabinet met to decide on Mr. Peres's proposal that Israel agree to attend an international conference that would serve as an umbrella for direct talks between Israel and a joint Jordanian-Palestinian delegation.

In the end, Mr. Peres never brought the issue to a vote because he could see that it was headed for a 5-to-5 tie, which, if registered, would have formally quashed his proposal. Mr. Shamir said the lack of a vote meant the conference issue was now "dead," and his office ordered that its obituary be conveyed by the Foreign Ministry to every Israeli embassy. Mr. Peres said the lack of a vote meant the issue was still open, and he refused to send Mr. Shamir's cable. Outside the Cabinet room, the Labor and Likud coalition partners each leaked to the press, at home and in Washington, secret documents and communications that bolstered their positions and embarrassed the other side, leaving Israeli diplomacy about as confidential as skywriting.

Although Mr. Shamir presented his opposition to an international conference as being of a procedural nature — saying that it would put unfair pressure on Israel, allow the Arabs to escape direct talks and bring the Soviet Union back into regional diplomacy — it seems to be the substance of negotiations that Mr. Shamir was really trying to block. Mr. Peres and the United States had already made it clear to Mr. Shamir that the conference would be only an opening for direct bilateral Israeli-Jordanian talks; otherwise neither Washington nor Israel would attend.

"For Shamir, any negotiations are bad, because as far as he is concerned there is nothing to negotiate about," said Nahum Barnea, editor of Koteret Rasheet, the political weekly. Mr. Shamir has repeatedly said Israel must never cede any of the West Bank or Gaza Strip. He figured it was better to fight now over an apparent question of procedure than to fight later over one that would fully expose his hard-line position, Mr. Barnea said.

Blocked and Boxed

But, for now, the Likud leader is the clear winner. He not only blocked Mr. Peres's conference proposal from being adopted by the Cabinet, he also boxed in Mr. Peres by lining up a majority in Parliament behind his position. This insured that Mr. Peres would not be able to carry out his threat to force new elections. Moreover, Mr. Shamir let Washington know that he was passionately opposed to the convening of an international conference.

While Mr. Shamir emerged victorious, what about the Israeli people? Here the results are ambiguous. "A divided, shaky Government is not only unable to promote peace with the Arabs," said the newspaper Maariv, "but it is also powerless to accomplish any economic or social missions. . . . The price for the ongoing coalition struggle over the international conference issue will be paid by none other than the Israeli people."

At the same time, Israel's standing will hardly be improved by the failure to endorse

the first serious peace negotiating proposal in years. As the novelist Amos Oz remarked last week, "What kind of a crazy nation is this? Someone knocks on its door and says, 'We came to discuss peace with you,' and it quickly pulls down the shutters, locks the door, closes the curtains and goes down to the shelter and starts to sound the siren, as if the peace proposal were a rocket salvo."

Not the whole nation. A Modi'in Ezrahi poll published last week asked Israelis whether they favored a peace accord with Jordan that would involve territorial concessions in the West Bank. Some 20 percent of the respondents said they were willing to give up all of the West Bank, except Jerusalem, while 52 percent were ready to relinquish at least part of the occupied territories. Some 46 percent said they were unwilling to make any concessions.

This weekend, Mr. Peres was in the United States where he was to meet with Secretary of State George P. Shultz in an apparent attempt to enlist more explicit American backing among key officials for an international conference. Earlier, Mr. Shamir's envoys had made a similar trip, for the opposite purpose.

There is a historical precedent for all of this that the Israeli leadership might contemplate. "In the year 63 B.C.," said Mr. Elazar, "the two contenders for the throne of Judea were the brothers Hyrcanus II and Aristobulus II. In an effort to settle their power struggle, they turned to their patron in Rome, who happened to be Pompey, and asked him to resolve their dispute — which he did. He occupied Judea and Jerusalem and put an end to Jewish independence for 2,000 years."



**The Barbie case:
Who's on
trial here
anyway?**

3

The World

In Divided Fiji, Army Ousts the New Government

Racial hostilities led to the overthrow last week of the newly elected Government of Fiji.

A group of ethnic Fijian soldiers stormed the Parliament and arrested Prime Minister Timoci Bavadra and his entire Cabinet, which is dominated by Indians. The next day, army troops closed two leading newspapers.

But the military's hold on power appeared shaky. The soldiers were unable to gain the support of the Governor-General, the official head of state of the former British colony, who announced in a radio broadcast that he had assumed executive power in the crisis.

Yesterday, the army said it would restore democracy under a new constitution limiting the rights of ethnic Indians, who slightly outnumber the Melanesian Fijians in the South Pacific island group's population of 715,000.

"I am only looking after the Fijians' interests," said Lieut. Col. Sitiveni Rabuka, who led the bloodless coup.

The ethnic Fijians say they fear the same loss of native lands suffered by other South Pacific peoples, such as the Maoris in New Zealand. Indians, who were brought to Fiji in the late 19th century by the British to work in the sugar cane fields, have long dominated the economy of the islands. Until last month's election, however, they were largely excluded from governing.

After the coup, many of them shuttered their shops and gathered in crowds in protest. A general strike by Indians — who own the vast majority of shops, offices and buses — could cripple the economy.

Call for Amnesty In Argentina

Less than a month after a brief uprising by several army units, President Raúl Alfonsín of Argentina last week submitted legislation to absolve virtually all middle- and lower-ranking military officers for their role in the country's "dirty war" of the late 1970's.

Human-rights groups condemned the proposal and accused the President of caving in to the demands of the army. They have argued that the men who carried out the repression should pay for their role in the disappearance, torture and arrest of thousands of civilians.

Mr. Alfonsín, who denied that he made a deal with the army last month, said he was not happy that some people guilty of "grave" crimes would go free under his proposed law.

But, he argued, it was important to establish "levels of responsibility," drawing a line between "those who conceived these methods" and those



Masked Fijian soldiers outside Parliament in Suva after coup.

who obeyed orders in a "state of coercion."

The legislation, which was approved by the House of Deputies early yesterday and is virtually certain to pass in the Senate, would probably end efforts to prosecute anyone who was of the rank of lieutenant colonel or lower at the time. But the prosecution of retired generals, admirals and colonels will continue, Mr. Alfonsín said.

The Defense Ministry reported last week that 229 officers have been charged, although some estimates have put the number as high as 450.

So far, five of the nine former military commanders who served on ruling juntas between 1976 and 1983 have been convicted on human rights charges and are serving sentences ranging up to life.

Aquino Allies Win Senate Seats

In another reflection of her wide popularity, President Corason C. Aquino did very well last week in voting for the Philippine Senate.

Candidates she supported appeared headed for an overwhelming victory in the 24-seat Senate. Some opposition leaders, charging election irregularities, said they might not accept the results of the voting.

But the election seemed to be the calmest and by most accounts the most honest in many years. Most commentators hailed what they saw as the country's return to full democratic government.

The results for the 200 elective, districted seats in the 250-member House of Representatives remained more difficult to project, as final offi-

cial results were not expected for a week or longer. But Mrs. Aquino's candidates were ahead in most of the races.

Mrs. Aquino's slate, an ideologically diverse group united only by the President's endorsement, is expected to begin to become fragmented once the Legislature convenes in July.

New Delhi Takes Control in Punjab

The Government of India removed the moderate Sikh leadership of the Punjab last week and assumed direct command of the campaign to curb terrorist attacks by Sikh extremists in the northern state.

To assert its control, the Government of Prime Minister Rajiv Gandhi sent at least 5,000 paramilitary policemen to the Punjab. The Government action effectively put all government and police functions in the hands of New Delhi.

Violence in the Punjab has long been one of India's most serious and divisive problems. Attacks involving Sikh extremists have killed 900 people in the last 17 months. Militants want an independent homeland for the Punjab's 12 million Sikhs.

Mr. Gandhi's opponents charged that his motives were political, related to elections next month in the neighboring state of Haryana, where his Congress Party has lost popularity because of what is seen as increasing softness on Sikh extremism.

James F. Clarity,
Katherine Roberts
and Milt Freudenheim

Britain Goes to the Polls June 11

Thatcher Pledging More Of the Same Stern Stuff

By HOWELL RAINES

LONDON

WHEN she called a general election for June 11, Prime Minister Margaret Thatcher made it clear she was not thinking of serving a few more years and retiring to her garden. "This is only the third term we are asking for. There is quite a long way to go," she said, hinting that the year 2000 might be a nice time to step down.

While it may have been calculated bluster, the 61-year-old Prime Minister's talk of a fourth term and of "setting Britain's course for the next century" surprised her opponents and rattled some of her own Conservative Party strategists. Was it wise, her allies wondered, to promise British voters 13 more years of Thatcherite lectures that, when she is really on a roll, come close to a nationally televised browbeating?

But as she raced through a series of post-announcement television appearances, Mrs. Thatcher stuck with the stern message and sharp style that brought her victory in 1979 and 1983. For example, in the face of accusations that she is neglecting the National Health Service in order to finance tax cuts for the rich, Mrs. Thatcher responded with a tribute to trickle-down economics that would make President Reagan sound like a soft-soaper. With incentives for businessmen and entrepreneurs, she said, "You are helping not only them, but the people who depend on them for jobs. Someone, you know, has got to create the wealth before others can distribute it to the health service." As these remarks suggest, Britain's leader is not one for tiptoeing up to the starting line. Just as it was evident by the end of the week how Mrs. Thatcher planned to run her race, the opposition strategies were also popping into focus.

Neil Kinnock and the Labor Party are targeting what all the polls show as her greatest weaknesses: unemployment and a health service afflicted with long waiting lists, declining numbers of hospital beds and higher prescription costs. When he and Mrs. Thatcher had their last face-to-face meeting in Parliament on Thursday, Mr. Kinnock opened the attack: "When three-quarters of a million people are on waiting lists and

some people have waited for more than four years for operations, isn't her claim that the health service is safe in her hands a sick joke against sick people?"

For their part, Dr. David Owen and David Steel, the leaders of the Alliance parties — the Social Democrats and the Liberals — plan a more subtle argument. Mrs. Thatcher's policies may have been required as a corrective for the economy, they argue, but now Britain needs a less divisive, more compassionate leader more in tune with the tradition of the welfare state.

Their critique jibes with the anti-American feeling that, according to the polls, is a strong element in British public opinion, because it reminds voters of Mrs. Thatcher's close ties to President Reagan and her professed admiration of the American enterprise economy. Mr. Steel, the Liberal leader, last week decried the influence of a "trans-Atlantic intellectual Right" that wants to dismantle the welfare system and impose social values that run against the grain of Britain's national character. Mr. Steel warned of "the Americanization of Britain, complete with sharper inequalities, greater levels of private corruption and of civil violence, and the acceptance of an alienated underclass of unemployed and unemployables."

The campaign officially starts after Parliament adjourns tomorrow. In a three-way race played out in only 24 days, the electoral arithmetic will quickly become as important as the rhetoric. In 1983, Mrs. Thatcher's party won 42.4 percent of the total national vote. Labor was second with 27.6 percent of the total vote and the Alliance, a combination of the Liberal and Social Democratic parties, was third with 25.4 percent. But the Conservatives wound up with 397 of 650 seats in the House of Commons. Going into the elections, the Conservatives have 392 seats, Labor 207, the Alliance 27 (Liberals 19, Social Democrats 8), smaller parties the rest.

The key questions now are will the anti-Thatcher majority stay divided and will the Conservatives stay above 40 percent of the national vote, probably the magic figure for maintaining a parliamentary majority. For the time being, Mrs. Thatcher's party is running at 40 to 43 percent in most polls, so she appears secure on that score for the moment. The Alliance, which aims its appeal at middle-class suburbanites who often vote

Conservative, represents the greatest potential threat to Mrs. Thatcher. But for the time being, the Alliance's growth seems to be coming at the expense of Labor, not the Tories.

In fact, the increased competitiveness between the Alliance and Labor seems to be working in Mrs. Thatcher's favor. Earlier this year, there was a lot of talk about Labor and the Alliance joining in a "tactical voting" to try to deny Mrs. Thatcher a majority. But now the Alliance leaders sense that the decline of union membership and the expansion of the middle class has eroded Labor's traditional working-class constituency and clouded its future. So instead of cooperating with Labor to topple Mrs. Thatcher, the Alliance is increasingly interested in using this election to replace Labor as the main opposition party.

Many analysts agree that the post-Thatcher age could see a return to the moderate center. But there is hardly a pollster, scholar or commentator in all of the United Kingdom who thinks the post-Thatcher age will commence in 1987. According to Robert D. Waller of Harris Research, a pollster for the Conservatives, Mrs. Thatcher's aggressive talk may be one of the few things that could untrack her. "I'm not sure Mrs. Thatcher should talk about eradicating socialism and being in office until the end of the century," he said. "Too much of that could put people off. She's a very strong flavor, and you don't want to get too much of it."



Prime Minister Margaret Thatcher after advising Queen Elizabeth II to dissolve Parliament.

Party Wants President to Cut Short His Term

Friends Deserting Sarney as Brazil's Economy Worsens

By ALAN RIDING

BRASILIA

ONLY six months ago, Brazil's majority party seemed proud to count President José Sarney among its members, using the popularity of his economic policies to score a stunning victory in crucial gubernatorial and Assembly elections.

Today, however, the Democratic Movement Party has turned its back on the President and is unabashedly looking for ways to cut short his six-year mandate.

The dramatic slump in Mr. Sarney's fortunes since last November has followed the no less rapid collapse of confidence in the Brazilian economy. With inflation heading toward an annual rate of 1,000 percent, last year's price freeze and the spending spree it spawned have become distant memories. Angry and perplexed, Brazilians are looking for someone to blame.

And the Government party, happy to share credit for last year's boom, is pointing to the President as the culprit.

Although it was the economy that first soured Brazil's mood, the resulting political crisis has now become the main obstacle to restoring economic order. Having failed to exert strong leadership in times of trouble, Mr. Sarney now seems a lonely and discredited figure. "I'm not responsible for the crisis," he said last week. "I'm another victim of it." At the same time, the Democratic Movement Party, albeit the dominant force in the country, has not emerged as a cohesive political force and still seems more comfortable in opposition.

The result is that the very machine of negotiation and decision-making needed to pull the country out of its crisis seems to be paralyzed. Many economists believe that an orderly program of austerity would be preferable to the chaotic slide.

But they also say that no new policy is likely to emerge while the President and the leader of the Democratic Movement Party, Ulysses Guimarães, are locked in a power struggle.

Thus, barely two years after a military régime gave up its power, fears are mounting that the frustration with the new civilian rulers could disrupt Brazil's smooth transition from dictatorship to full democracy.

The political weekly, *Veja*, complained last month that leaders were putting on "a sad spectacle" by spending their time "deceiving each other, exchanging insults and buying and selling favors." While showing no interest in returning to power, the armed forces have begun urging politicians to display more "patriotism" and "unity."

An Early Election?

In the wake of a recent clash between Mr. Sarney and the Democratic Movement Party over the naming of a new Finance Minister, a growing body of political and public opinion believes that the only way to end the chaotic drift is for the early election of a President with a popular mandate. To avoid still greater conflict, political leaders want Mr. Sarney to take the initiative to reduce his term.

The conservative daily, *O Estado de São Paulo*, said in an editorial Friday that the President should propose elections "at full speed" as the "only dignified solution that can avoid aggravation of the crisis."

Yet even if he continues to ignore the suggestion, elections in November 1988 now seem increasingly likely.

The roots of the crisis lie in the events that guided the country's return to civilian government in March 1985 after 21 years of military rule. Unlike the military rulers of other Latin American countries, who handed power over to freely elected presidents, Brazil's army chiefs tried to prolong their influence by insisting that their civilian succe-

sor be chosen by a 686-member electoral college they hoped to control.

But, thanks to the support of dissidents from the pro-military party, Tancredino Neves, the centrist candidate of the Democratic Movement Party, won the election. When Mr. Neves died before taking office, he was succeeded by Mr. Sarney, the vice presidential candidate chosen by the same dissidents. For the most part, he had been a loyal ally of the successive military régimes.

So, from the very beginning, the stage was set for a clash between the new Government party and a President who was not its choice.

That the divisions did not occur before now can be explained by the economy's rapid growth in 1985 and 1986. Although Mr. Sarney once said he favored a four-year term, such was his popularity during last year's price freeze that he began working to hold on to the six years originally contemplated by the electoral college.

By the time the new Assembly began meeting in February, however, everything had changed. Forgetting that its huge majority was largely the result of the President's price freeze, the Democratic Movement Party began blaming the Government for the resulting economic crisis.

At the same time, Mr. Guimarães, who hopes to become the next President, warned Mr. Sarney against adopting austerity measures that might lose the party votes in the next elections.

Although Mr. Sarney is helped by the military's view that Brazil should not "rush" into its first direct Presidential elections since 1960, the number of politicians who covet his job is growing by the day.

Without a mandate to govern and with his base in the Assembly increasingly insecure, Mr. Sarney has seemed at a loss over what action he should take to stay in power. Said one politician, "We have a President who can't govern and a party that doesn't want to govern."



President José Sarney (right) is locked in a power struggle with Ulysses Guimarães (left), leader of the Democratic Movement Party.

Many Fear That the Trial Will Trivialize Genocide

Lawyer for Barbie Tries To Indict All Of France

By RICHARD BERNSTEIN

LYONS, France — It did not take very long for the trial of Klaus Barbie to become as much a contest among lawyers as a lesson in history. Mr. Barbie, whose trial opened here last week, was the wartime chief of the Gestapo in this region of France. As the trial's main exhibit, he did offer a kind of presence here for the first two days — the gray, pallid, strangely smiling and apparently unrepentant presence of an old Nazi. But then he walked out of the trial in the middle of its third day, which very likely means he will never be seen publicly again. Remaining were two groups of lawyers symbolizing two opposing points of view in a judicial event full of symbolism.

Most numerous, sitting in tiers in the courtroom, are some 40 lawyers representing 110 civil plaintiffs in the case. These are people who claim to have suffered during the war at the hands of Mr. Barbie, who, even in the ranks of Nazi henchmen, stands out as a particularly brutal and efficient functionary. The most symbolically important of the anti-Barbie lawyers is Serge Klarsfeld, a historian and war crimes researcher who, along with his German-born wife, Beate, found Mr. Barbie in 1972 in exile in Bolivia and then led a campaign to have him brought to France to stand trial. Mr. Klarsfeld explains the issue: "It is to have justice done with this particular war criminal, who is one among many others."

But Mr. Barbie's trial has become a complicated affair, largely because his lawyer, Jacques Vergès, has been striving mightily, and skillfully, to turn the proceedings into something other than a war crimes tribunal. Mr. Vergès is, like Mr. Klarsfeld, a special sort of figure in France. He is well known as a political radical, devoted to the Palestinian cause, and has gained a reputation defending most of the major terrorist suspects put on trial in France.

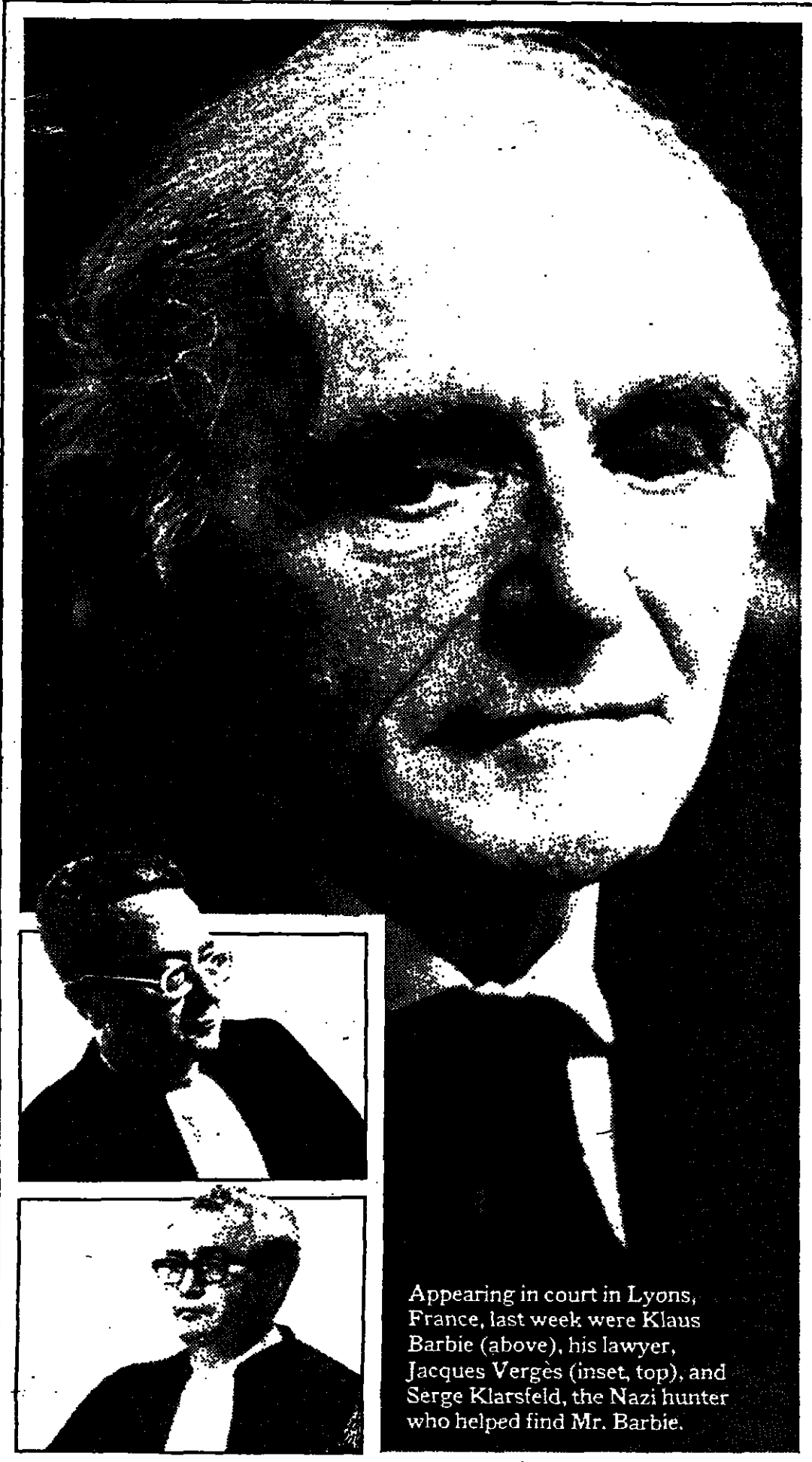
A Surprising Stroke

In numerous interviews just before the Barbie trial, and continuing during its first days, Mr. Vergès has made clear his intention of transforming it into a political event, trying to advance what he sees as Nazi-like behavior on the part of France itself, portraying his client as a sort of misunderstood human being plagued by judicial injustice, not a symbol of evil.

The most dramatic event of the week was Mr. Barbie's announcement Wednesday that he would no longer participate in the proceedings, thereby, in one surprising stroke, depriving his alleged victims of the opportunity to face him directly. Mr. Barbie, reading a prepared statement, claimed that his extradition from Bolivia to France four years ago had been done illegally, making him, as he put it, "a hostage, not a prisoner."

The move was viewed as a publicity play designed to present Mr. Barbie no longer as the infamous "Butcher of Lyons," but as the real victim in this affair. It was seen, as one lawyer here put it, as "pure Vergès." Another example quickly followed. Turning toward Mr. Barbie just behind him in the glass-enclosed defendant's box, Mr. Vergès described him as a hurt and isolated individual, saying in a voice stirred by emotion, "I am honored to defend this man who is alone." Then, staring straight ahead at the tier of lawyers for the civil plaintiffs, Mr. Vergès let his rapier fly. "I don't howl with the wolves," he said.

And so, the lines were drawn among the lawyers, though the central elements in the trial, the hearing of testimony by witnesses, was yet to come. It was entirely possible that Mr. Vergès's apparent strategy would founder next week as dozens of people begin to come to the stand, telling the nine-member jury of Mr. Barbie's actions in World War II. Among them, for example, was a raid on a children's home in the isolated village of Izieu, some 50 miles east of Lyons, in which 44 Jewish children were rounded up by Mr. Barbie's Gestapo in 1944 and sent to their deaths at Auschwitz. The case meticulously compiled by Mr.



Appearing in court in Lyons, France, last week were Klaus Barbie (above), his lawyer, Jacques Vergès (inset, top), and Serge Klarsfeld, the Nazi hunter who helped find Mr. Barbie.

Klarsfeld and his colleagues has to show that Mr. Barbie committed crimes against humanity — defined as atrocities committed against civilians because of their religion or race. Mr. Barbie, in 1952 and 1954, was tried in absentia and both times condemned to death, for crimes of torture, murder and deportation committed, among others, against members of the French Resistance. Under French law, however, he cannot be executed now. There is no longer a death penalty in France, and the statute of limitations has run out on the earlier charges, which are not included in the current case.

The nature of the defense Mr. Vergès is apparently preparing to wage has in itself already become a chief object of speculation, while Mr. Vergès has rapidly emerged as the trial's major figure — already a success in that it has diverted attention from Mr. Barbie. Many in this country fear that Mr. Vergès will manage in the eyes of public opinion to trivialize the crime of genocide, loading it up with "extenuating circumstances," or arguing that other people have behaved just as badly as the Nazis. He has said that he will show in the trial that France committed Nazi-like atrocities during the Algerian War — when Mr. Vergès was a lawyer for Algerian independence fighters — and that both members of the French

Resistance and French Jewish groups collaborated with the Nazi occupiers.

"These are arguments that irritate," Mr. Vergès said in an interview just before the trial began. "But the role of a lawyer is to displease."

Mr. Vergès's opponent, Mr. Klarsfeld, said: "Vergès jumps on anything that might serve his client. He says that the Jews were collaborators, that the resisters were traitors, that the documents are fake, and that his client can be taken as the war's most innocent man."

"But," Mr. Klarsfeld went on, dismissing the widespread fears that the tactic has aroused, "I don't think it will bear fruit in public opinion, which, on the contrary, is likely to become exasperated." The most deeply troubling aspect of the trial, Mr. Klarsfeld said, is Mr. Barbie's own claim of innocence.

"It would have been a beautiful trial if he had had the courage to recognize that he hated Jews, that he hated the Resistance," Mr. Klarsfeld said. "But you never encounter one of these people who says, 'I am a Nazi and I am happy about what I did.' They always say, 'My ideals were betrayed by Auschwitz. I didn't know anything. I didn't have anything to do with the Jews. Whenever there was an excess, I had nothing to do with it. I was not responsible.'"

Aid to Pakistan Can Alienate India

U.S. in Crossfire Of Border War

By STEVEN R. WEISMAN

KABUL, Afghanistan — "THIS is the heart of Asia," said a poet reciting Pushkin verse at a recent mammoth celebration of the Soviet-backed government here. "When Afghanistan trembles, all of Asia moves."

The poet's boast seems no exaggeration. More than ever, Afghanistan is affecting the relationships among other major powers in Asia, helping to determine their links with Moscow and Washington, and bringing strains between the Soviet Union and the United States themselves. For the Reagan Administration, the most urgent problem of the seven-year-old war in Afghanistan is the alarming spillover at the Afghan-Pakistan border in the east.

The border region has become the setting for a fierce air war between the two countries, with the United States apparently close to a decision to help Islamabad by supplying some form of sophisticated aerial reconnaissance and warning equipment. The possibility of such equipment and aircraft, or other planes, going to Pakistan has alarmed India and seriously hurt Washington's efforts in recent years to improve relations with New Delhi. Prime Minister Rajiv Gandhi had already registered dismay at the ease with which the Administration's \$4.02 billion aid package for Pakistan seems to be sailing through the Congress despite concern about Pakistan's nuclear weapons research program.

In Washington, senior Administration officials were said to be "agonizing" over the possibility that introducing sophisticated new American equipment in the border area would draw Pakistan into a dangerously deeper round of warfare. Officials said the result might be to undermine what little hope exists for a political settlement in the war.

The problem is that after years of serving as a conduit for covert American aid to the anti-Communist Afghan insurgents, Pakistan has increasingly exposed itself to retaliatory air strikes from the Afghan Air Force. The attacks began a few years ago, as Afghan and Soviet troops sought to cut off the Pakistani supply lines to the insurgents. Now Pakistan maintains that there have been 350 air attacks in the last three and a half months alone, resulting in nearly 200 deaths.

Last year, Washington responded to the aerial attacks inside Afghanistan by quietly supplying the Afghan rebels with sophisticated Stinger missiles. American officials assert that surface-to-air rockets in the hands of the rebels have shot down as many as 15 to 20 helicopters or

planes a month inside Afghan territory. The claim is dismissed as exaggerated by Afghan officials here. Nevertheless, the use of rockets by the rebels is said to have restored some balance to the conflict after a year in which the rebels suffered serious losses and were mostly on the defensive.

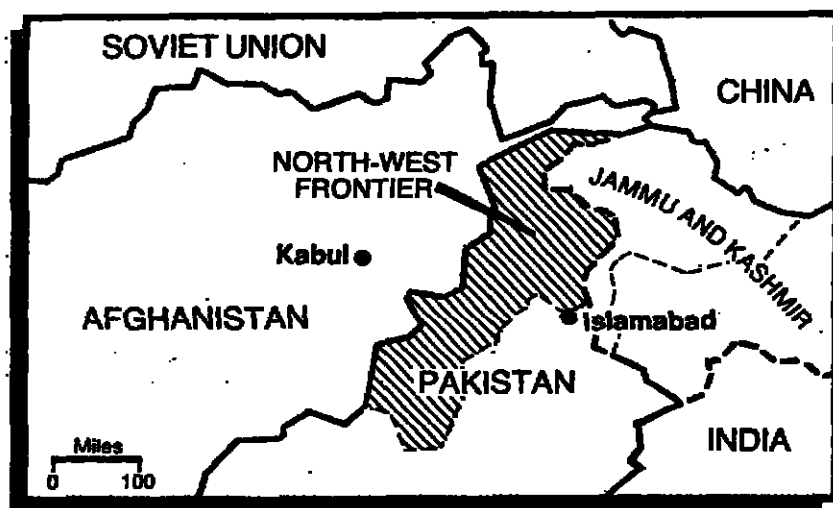
Meanwhile, Abdul Wakil, Afghanistan's Foreign Minister, warned that it was the United States that was widening the war, and he threatened "serious consequences" if Washington escalated it further. Reinforcing Washington's concern, India's Foreign Minister traveled this month to Kabul, indicating Indian displeasure with American policy.

American officials acknowledge their concern about upsetting India, but they also complain that New Delhi has been blaming the wrong superpower for war in Afghanistan. "We think India could probably be rather more influential with the Soviet Union than perhaps India has been," Secretary of State George P. Shultz told an Indian-American business group in Washington last week.

Big Covert Operation

But some American officials acknowledge that the larger consideration is that for years the war in Afghanistan has insured that American policy in all of South Asia has been set by the priorities of the Pentagon and the Central Intelligence Agency, which in Afghanistan has conducted the largest covert operation since the war in Vietnam. Experts agree that for now at least, the "covert" war by perhaps 250,000 guerrillas in Afghanistan commands broad support from Democrats and Republicans alike, including those who call for a more conciliatory approach in other parts of the world. Soviet and Afghan officials tell reporters that this puzzles them. They say they wonder why, until the Soviet Union sent 115,000 troops into Afghanistan, the United States cared little about the future of a country that had always been considered in Moscow's sphere of influence.

The reason why the growing border war is important is that for Washington, it may signify a shift in which Americans get a closer view of the war's costs. Some in Pakistan who support the war plainly fear the costs of a stalemate that lasts until the end of the century. The bombing of Pakistan's border areas underscores that fear, but so have the ethnic unrest and drug abuse believed to have been caused by the presence of three million Afghan refugees inside Pakistan. Thus the growing tensions among Afghanistan, Pakistan and India that could force the United States to make some difficult reassessments about its attitude toward the entire Asian subcontinent.



How a Shoe Merchant Earned His Great Wall Credit Card

Capitalism Keeps a Toehold in China

By EDWARD A. GARGAN



He Bin talking to a worker in his shoe shop in Canton, China.

CANTON, China — HE BIN rarely leaves home without his Great Wall credit card. One of this city's most successful entrepreneurs, Mr. He uses China's latest status symbol with a casual confidence that belies the long hours and political uncertainties he faces.

Five years ago, he was a disgruntled worker in a state shoe factory. "I had a skill to make shoes and run a shop," he said. "The factory 'big bowl' system was not for me."

The "dagufan," or big bowl, refers to the system of paying workers in state-owned factories a fixed salary regardless of ability or ambition. Although the overwhelming number of Chinese still work for the state, Mr. He and hundreds of thousands of others struck out on their own in the early 1980's when the political climate changed under Deng Xiaoping.

The entrepreneurs now hope their careers are not short-lived. As hard-line Communist Party leaders reassert rigorous adherence to socialism, the fate of private business in Canton and elsewhere in the country will be the ultimate measure of China's commitment to economic reform.

Mr. He suffered in a previous era of dogmatic socialism. "My father began a shoe business in 1921," he said. "We kept in business until 1958. That year, they closed the shop and I went to work in a leather shoe factory." In 1958, Mao Zedong launched a three-year effort to accelerate the country's economic growth by creating huge agri-

capital communes and backyard industries. A catastrophic famine resulted in which 30 million people may have died. Throughout this period, and the calamitous decade of the Cultural Revolution that ended in 1976, Mr. He and his family lived in the former shoe store on Wanfu, or Ten Thousand Happiness, Street.

In 1982, Mr. He was given the opportunity to begin again. He borrowed money from a bank and opened a small shop, which was successful from the start. "Before I opened the shop I was worried," he said. "The first day I sold more than 20 pairs of shoes. I didn't expect that at all."

Unhappy with the quality and styles of state-produced shoes, Mr. He built a factory to make Western-style laced bankers' shoes, slip-ons and women's pumps with delicate leather ribbing.

\$135,000 a Year

Today, he said, he and his wife sell about \$135,000 worth of shoes a year, an immense sum by Chinese standards. "We can turn out a new product in three days," he said. "It may take the state three months to produce a new shoe." There are 50 other independent shoe makers in Canton, he said, and probably 350 private shoe shops.

From the watch repairer's small case on the back of a bicycle to Mr. He's shoe factory, more than 150,000 people work in private businesses in the southern province of Guangdong. Private restaurants and clothing stores compete side by side with state-run counterparts. Canton's proximity to Hong Kong, which is 85 miles away, and its distance from Beijing, which is 1,200 miles away, have nurtured a self-assured independence in eco-

nomic life that is unknown in the north.

Cases in Mr. He's shop display the 150 styles of shoes he sells at prices about 10 percent higher than those in state stores. There are padded benches — unheard of in state stores — for waiting customers.

"People's living standards are higher," Mr. He said. "They require quality products." Indeed, officials agree that the purchasing power of the Chinese has grown tremendously as a consequence of economic liberalization.

Mr. He's shoes are made in a four-story red brick building that also serves as his home and a dormitory for 18 of his workers. He borrowed about \$27,000 from a bank to build it and expects to have the loan repaid in three years. He said his workers earn about \$18 a month, about double what state shoe workers get. He also provides housing for his employees and is responsible for their medical fees.

Despite his success, Mr. He admitted that the vagaries of the political climate could affect his and other private concerns here. "But so far," he said, "the political changes in Beijing have had no effect."

A top provincial official said there was no turning back on the economic liberalization. "We have been carrying out the correct policy," said Xu Zhi, Canton's deputy secretary general. "We will not slow down on economic reform."

In any event, Mr. He said, there was nothing else to do but to work hard. "Since 1982 until now, I have been open every day," he noted. "I am open 13 hours a day. I have never closed for even one day."

The Nation

In Congress, Tactical Plays Over 'Star Wars'

When the technological uncertainties of President Reagan's Strategic Defense Initiative were combined with the complexities of the budget process in Congress last week, it was hard to tell what was being shot down by whom.

First, the House voted 219 to 199 to reduce spending for research on space-based missile defenses next year to \$3.1 billion. That is about \$500 million less than the amount being spent this year on the "Star Wars" program and \$2.6 billion less than what the Administration has requested for the fiscal year 1988.

But many House members agreed with Representative Les Aspin, the Democratic chairman of the Armed Services Committee, who said the deep cuts were "purely a matter of tactics, to get a lower number in the House side so we can bargain with the Senate."

In an acrimonious debate in the Senate, meanwhile, Republicans resorted to a rare filibuster to prevent consideration of a companion bill because of a provision to limit tests of the space-based defense system.

The Administration and Congress did see eye to eye on one thing: the need for a temporary increase in the \$2.3 trillion Federal debt ceiling. The agreement, passed by the House and Senate last week, will allow the Government to borrow an additional \$20 billion through July 17 to avert a financial crisis.

President Reagan cleared the way for the increase when he promised Republican Senators that he would support their efforts to restructure the budget process when Congress takes up proposed changes in the 1985 Gramm-Rudman law, which requires erasure of the Federal deficit by 1991.

Reagan Rejects Duarte's Request

Approximately 10 percent of El Salvador's 5 million people are believed to be living illegally in the United States. The country's president, José Napoleón Duarte, wanted them to stay for a while.

Last month, while the recently enacted Immigration Reform and Control Act would cause many of these exiles to return home to El Salvador, further straining an economy flattened by seven years of civil war, President Duarte asked President Reagan to exempt them temporarily from the new law. On Thursday, Mr. Reagan denied the request, though he assured Mr. Duarte that no mass deportation of Salvadorans was planned. Most of the aliens came here after January 1, 1982, and so are ineligible for amnesty under the new immigration law.

El Salvador is beset by unemployment as high as 40 percent and an annual inflation rate exceeding 30 percent. It has been estimated that illegal immigrants send home more than \$350 million a year, contributing at least as much to the country as

the United States does in direct economic aid.

Panel Split Over Job Rights Ruling

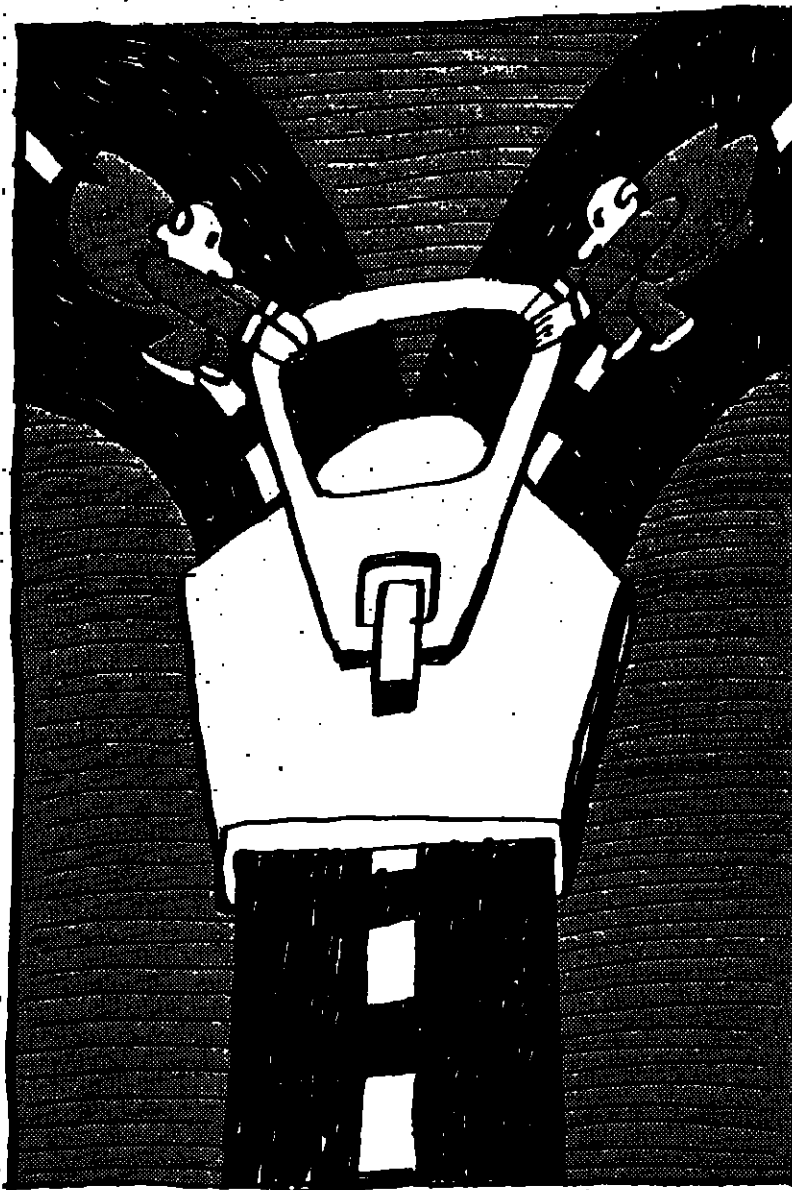
For the first time in more than three years, conservatives lost their tight control of the United States Commission on Civil Rights last week. By a vote of 5 to 3, the panel decided not to issue a draft statement charging that the Supreme Court was "wrong" to uphold a California affirmative action plan.

The staff-written statement, which said the Court's decision "misconstrues" the 1964 Civil Rights Act as "a license for certain types of 'benign' discrimination" against "innocent whites," was strongly supported by three Reagan appointees. In the end, however, the commission decided to issue a collection of statements reflecting the commissioners' individual views.

In its March 25 decision, the Court said the law permitted employers to give limited preference to women and members of minority groups in order to redress "disproportionate imbalance in traditionally segregated job categories." The ruling was a major defeat for the Reagan Administration, which has steadfastly argued that giving special preference to women and members of minorities is justifiable only for individuals who prove they have suffered from discrimination.

Martha A. Miles
and Caroline Rand Herron

But Is It a Cover for a Liberal Comeback?



A 'New Centrism' Quietly Creeps Into Campaign

By E. J. DIONNE Jr.

A quiet change under way in American political life — the creation of a new center — may be more momentous in the long run than such attention-seeking matters as Gary Hart's evening with Donna Rice or President Reagan's Iran-contra problems.

The "center" is a notoriously slippery word, especially since almost all politicians like to define themselves as living within its boundaries. But over the last year, political leaders and intellectuals have detected signs that the center itself is moving again — and that on some issues, the parties are moving toward each other. Indications of change include the following:

- Democratic Presidential candidates are putting forward very similar ideas and using remarkably similar language, speaking of "investing" in education and job training, of prudence in taxation and public spending, of a foreign policy that somehow mixes toughness with arms control.

- The movement of unhappy liberals known as "neo-conservatives" has fragmented. Many of its members have now taken definitive stands with the Republicans; a few stayed with the Democratic Party. The latter are mostly people, like Senator Daniel P. Moynihan of New York, who rejected the "neo-conservative" label in the first place; they say they feel more comfortable with the party these days, seeing it as more pragmatic than it was 15 years ago.

- On some questions, Republicans and Democrats, liberals and conservatives, have moved closer to consensus. Both sides now advocate welfare programs that emphasize work or vocational training requirements; both speak of a need for a "tougher-minded" approach to education, including higher standards for teachers

and more emphasis on basic skills.

- Many of the ideological battles that divided the two parties in the past are over. The Democrats are largely a party of the center-left, the Republicans a party of the center-right. It is the Democrats on the left and Republicans on the right who are most likely to complain these days about where their respective parties are headed, a sure sign of the pull the center is exerting on both sides.

- Perhaps most surprising and significant is the fact that most Presidential candidates seem to be expressing centrist views before they have even secured nomination. In the past, candidates tended to appeal to the truest believers during the primaries and became centrists only later, when the general election campaign demanded moderation. Last week alone, for example, Vice President Bush urged a major effort to cut the illiteracy rate, and Senator Joseph R. Biden, setting forth the broad themes of his candidacy for the Democratic nomination, sought to inspire "a new era of American economic nationalism," which, he said, could only be promoted — not controlled — from Washington.

Critiques and Definitions

Senator Moynihan contends that his party has largely accepted the critiques that he and his philosophical brethren offered in the mid-1960's and early 1970's, especially on domestic policy. One such idea, now broadly accepted, is that social change is difficult to legislate and administer, that "nothing ever quite comes out the way you expect it," Mr. Moynihan said.

Like most things in politics, the idea of a "new center" is subject to many definitions. For example, those Democrats who see the late Henry M. Jackson as a model of Democratic anti-communism think their party is still too "left-wing" on foreign policy, notably in opposing aid to the Nicaraguan contras. These hard-liners, such as Ben J. Wattenberg, chairman of the Coalition for a Democratic Majority, want someone like Senator Sam Nunn of Georgia to enter the 1988 Presidential race and give them a foreign-policy voice. Their problem is that many of the "Jackson Democrats" are now Republicans.

There is also discord over what makes the "new center" new. Conservatives argue that President Reagan has pulled the whole spectrum to the right and point with satisfaction to the reluctance of even liberal Democrats to raise taxes.

Ann F. Lewis, national director of Americans for Democratic Action, a liberal group, agreed that "liberals are tempered by some of the realities of the last decade, and know now that the ability to tax is finite." But Ms. Lewis and other liberals argue that, in the waning years of the Reagan Administration, the center has shifted several degrees leftward; they cite a decline in public support for increased defense spending, skepticism about business due to the Wall Street scandals and renewed desire for a more activist domestic policy.

For Mr. Moynihan and others who preach a chastened liberalism, the real "ideologies" are not on the left these days, but on the right. Democratic politicians are thus gleefully portraying themselves as "pragmatists," as against those they characterize as the "fanatics" of Republican conservatism. Lieut. Col. Oliver L. North plays a key role in this demagoguery.

And so it is no wonder that some conservatives have already begun to see the new "centrism" as a cover for a liberal comeback.

"At this point in American politics, of the two words liberal and conservative, liberal is the one that's pejorative and conservative is the one that is honored," said John Buckley, press secretary to Representative Jack F. Kemp, a conservative seeking the Republican Presidential nomination. "So it's in the interest of liberals to semantically grope toward the center. But there's been no change on the road to Damascus."

Still, Mr. Moynihan noted that for the moment, even the two leading Republican Presidential candidates — Mr. Bush and Senate Minority Leader Robert Dole — are rather moderate sorts of conservatives. He predicted that the pull of the center might leave a lot of Republican conservatives feeling "lonely."

A Record Prison Census

	Total number of inmates	Female inmates	Percentage increase from previous year	Male inmates	Percentage increase from previous year
1977	300,024	12,279		287,745	
1978	307,276	12,748	3.8%	294,530	2.4%
1979	314,457	12,995	2.0%	301,462	2.4%
1980	329,821	13,420	3.3%	316,401	5.0%
1981	369,930	15,537	15.8%	354,393	12.0%
1982	413,806	17,785	14.5%	396,021	11.7%
1983	436,855	19,020	6.9%	417,835	5.5%
1984	462,002	20,784	9.3%	441,208	5.6%
1985	503,271	23,124	11.2%	480,147	8.8%
1986	546,659	26,610	15.1%	520,049	8.3%

Source: Bureau of Justice Statistics

The number of inmates in Federal and state prisons reached a record high last year, the Justice Department reported last week. Since 1980 the prison population has increased 66 percent to a total last year of 546,659.

The state with the most prisoners was California; New York, with a 10.8 per cent gain over 1985, ranked third in the nation. The agency also reported that the number of women in Federal and state prisons has grown at a faster rate than that of men since 1981, though women still ac-

count for less than 5 percent of the total prison population.

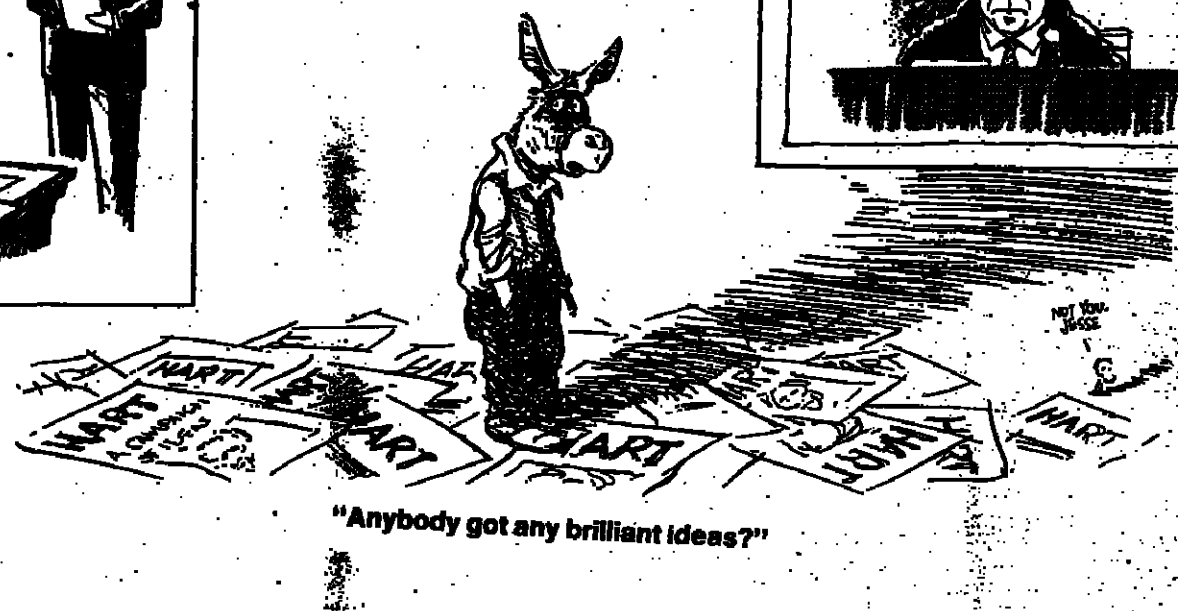
State prisons were estimated to be operating between 106 percent and 124 percent of their capacities while the Federal prisons were operating at about 127 percent to 159 percent of their capacities. "However, even with the recent increases in prison population," said Steven R. Schlesinger, the bureau's director, "the probability of a criminal being sent to prison may not be as high in 1985 as it was in 1960."

Views

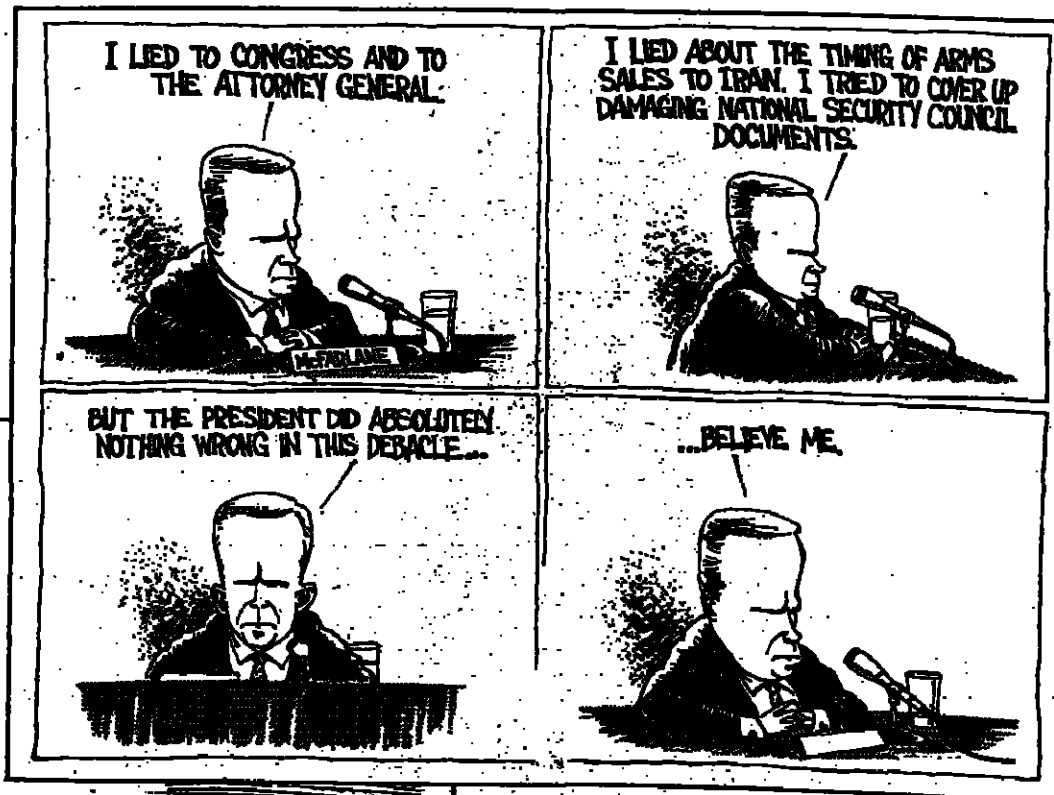
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Arts & Leisure

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When to Test for AIDS

Why not compel everyone to be tested for AIDS as the basis for halting further spread of the virus? That's a natural first thought to anyone who ponders the deadly epidemic. But it's only a first thought. That some senior Administration officials argue for mandatory AIDS testing shows how late in the day they have arrived at step one.

William Bennett, the Secretary of Education, wants AIDS tests to be given to everyone admitted to the hospital or applying for a marriage license. Gary Bauer, a senior White House aide, says opponents of such tests are promoting "a bizarre type of enforced ignorance." The Public Health Service now says that all immigrants will be screened for AIDS virus.

There are at least six reasons for believing that advocates of general forced testing are opinionated, hasty or poorly informed.

Lesson One: Don't drive victims underground. Homosexuals and intravenous drug abusers, the principal victims, are not mainstream America. Living at the edge of social tolerance in many states, they face plenty of discrimination already. Their cooperation in changing their own behavior is crucial in slowing the disease's spread to other groups. Mandatory testing is the surest way to discourage them from contact with health authorities.

Lesson Two: A consensus is not a conspiracy. No one should lightly denigrate public health officials the tools they need to combat AIDS, including use of the AIDS antibody tests. What public officials want — for the reason cited above — is more voluntary testing, not mandatory testing. Mr. Bennett seems to believe that the Federal public health agency has fallen under the influence of homosexuals who oppose mandatory testing for self-interested reasons. But the reason for agreement is not conspiracy. Both groups believe voluntary testing is the better way of halting AIDS.

Lesson Three: Why in hospitals? Hospital patients are predominantly the elderly and the very young, two categories least likely to have AIDS. Why does Mr. Bennett propose to look there for the virus instead of among high-risk groups? Because hospitals are where testing is easiest. So too argued the drunkard who lost his keys in the dark and explained he was searching for them under the lamp-post because the light was better.

Lesson Four: Like it or not, morals have changed. Many states require a syphilis test for those seeking a marriage license. Mr. Bennett can't understand why an AIDS test isn't given too. The

reason is that a minute proportion of known syphilis cases are detected this way. New York recently dropped the syphilis test because the results were not worth the cost, and because of suspicion that some couples nowadays have sex before marriage. The same logic applies to AIDS, but there's another, far more cogent reason.

Lesson Five: False alarms have grim consequences. The two present tests for AIDS virus are highly specific but even in conjunction are not totally accurate. The danger of "false positives" — diagnosing individuals as exposed to AIDS when they are not — is probably minuscule with high-risk populations. But the danger grows rapidly when screening large populations at low risk.

According to a paper to be published shortly by Michael J. Barry and colleagues at the Harvard School of Public Health, the two standard AIDS tests would identify 28 true positives, 2 false negatives and 11 false positives when applied to a low-risk population, defined as 30 AIDS cases per 100,000 people. What those figures say is that, for every 28 cases correctly diagnosed, the tests risk falsely informing 11 individuals that they carry the virus of a deadly disease and should never have children. Without guarantees of confidentiality, the insurers, employers, landlords and classmates of these 11 individuals may also learn, and act, on the false information. What a burden for mandatory testers to bear.

Lesson Six: AIDS makes a poor political football. Mr. Bauer believes that public health officials have few qualms in urging explicit sex education for young children, offensive as that may be to conservatives. But when it comes to testing, "the left's political agenda takes over." He says, "Either this is potentially the Black Death or it isn't." In fact, no one knows how widely AIDS will spread, but it's prudent to take precautions. Teaching teen-agers safe sex is an effective precaution — and mandatory testing is not.

AIDS is a medical issue. Those who politicize it, or see political motives where none exist, are seriously delaying national policy on AIDS and measures to save lives. The only known way to curb AIDS is to persuade people to change behavior. The Administration still has not mounted a massive public education program of the sort already under way in several European countries. The Secretary of Education should be leading the charge for education about AIDS and voluntary testing. Mandatory testing should be his last thought, not his first.

Mr. Gephardt's Bleak Promises

Emotional economics and discredited protectionism drive Richard Gephardt's Presidential campaign. He appeals to popular frustration by blaming America's trade deficit on other countries. His remedy, adopted narrowly by the House and still uncertain in the Senate, would make matters worse.

Congressman Gephardt is an attractive figure with a distinguished public career and great leadership potential. It's a pity to see that talent squandered on protectionism.

What accounts for the trade deficit? One big reason is Administration mismanagement. Another is the decline in American competitiveness. The deficit cannot be blamed, as Mr. Gephardt would have people believe, on unprincipled Asians. The sound path back to balanced trade is, to reduce America's budget deficit and encourage major trading partners, notably Japan and West Germany, to expand their economies.

Instead, the Congressman from St. Louis proposes a quick fix that is unworkable, and tainted with jingoism besides. He has said of South Korea, for instance: "We can no longer accept a situation in which they can invade our market with Hyundai sold cheap because we are paying dearly for the tanks that defend their borders."

The Gephardt amendment to the House's trade bill would impose stiff curbs on imports from Japan, South Korea, Taiwan and West Germany if those countries don't cut their large surpluses in trade with the United States by 10 percent a year. Those four countries are targeted because of their

supposedly "unfair" trade practices. There is some truth to this charge, but America is guilty, too. Mr. Gephardt ignores America's flaws and exaggerates the potential benefit of his scheme.

Even with restrictions off, America's trade deficit would be huge. In the years when the dollar was strong, American consumers got hooked on foreign products that they still prefer, and American exporters lost markets not easily recaptured. Moreover, major American industries like autos, steel and textiles have failed to compete.

What would happen if the Gephardt sanctions were enacted and applied? Any self-respecting government would do just what Washington would do if confronted with such highhanded treatment: fight back. And it is highhanded treatment. Mr. Gephardt's proposal contradicts a half-century of international agreements on how to deal with trade disputes. Nowhere do established procedures permit sanctions against a country because of a big trade surplus. Target countries would surely retaliate, and American exports would suffer.

The Gephardt proposal sounds good — finally striking back at Japan. That's a priority with organized labor, whose endorsement Mr. Gephardt would treasure. Japan-bashing also appeals to businessmen who have lost out to foreign competition.

But protecting industry against competition invites flabbiness and trade wars. To curb imports of cheaper foreign products means Americans would have to pay more for them and for the protected domestic version. And it would inevitably lead to tougher times for American businesses that sell abroad. In short, higher prices and fewer jobs. Those are pretty bleak campaign promises.

Topics of The Times

The Strawberry Brunet

"Womanizer" achieved more fame, but another word apparently vital to the spirit of Gary Hart's weekend with Donna Rice was "blonde."

As adjective and noun it cropped up again and again: "The same blonde got off the plane," "the reporter saw the blonde coming out the door." Clearly, in the judgment of those reporting the story, hours spent with a person whose hair is mouse-brown would not have stirred quite the same public doubts about a candidate.

If this showed that blondeness still has its old aura, it also showed how the nature of a story determines how the principals are described. What counted for Mr. Hart was status; what counted for Ms. Rice was looks. The weekend could as accurately have been described as a get-together between a Phi Beta Kappa pharmaceutical salesperson (Ms. Rice) and a lanky strawberry brunet (Mr. Hart).

Ethnic Flavors

New York offers art, dance, danger, dirt, music, traffic and wildlife. It also offers falafel, calamari, sushi, cannoli, quiche, cheesecake, tempura, sausage, scungilli, yo-

gurt on a stick, popcorn in a bucket, meatballs on a roll and all manner of things delicate and indelicate. To eat on the streets of New York this weekend is to understand better than ever how much New York remains a remarkable assemblage of ethnicities.

The major chewing is on Ninth Avenue, at the 14th annual International Food Festival, but there's minor dining all over town. The city's borscht-bibbers, for instance, will probably be in the East Village, at the Ukrainian Festival. The shteetle-ke-ke/pumpernickel crowd is apt to be watching the Norwegian parade in Bay Ridge; and over at the Queens County Farm Museum a group led by a woman in a pith helmet will forage a nature preserve for wild things to zip up their salads.

Meanwhile, the strollers through the neighborhood block parties and the gang lining the Grand Concourse for the Bronx Week parade aren't going to be empty-handed. We're talking wall-to-wall hotdogs, Yoo-Hoos and ice cream bars. Funnel cakes, tacos, zeppole and fried bananas, too. And stuff most people can't pronounce — or spell — or even recognize.

New York needs no monuments to immigration beyond its dinner plates.

Letters

Expand Academy of Sciences to Embrace Arts

To the Editor:

Further on your front-page report that the National Academy of Sciences has rejected a Harvard political scientist for membership because, opponents said, his work amounted to "pseudoscience" (April 29): The act of Congress that created the National Academy of Sciences (signed by President Lincoln on March 3, 1863) stipulated the function of the Academy would be, whenever called upon by any department of the Government, to "investigate, examine, experiment and report upon any subject of science or art." So right from the start the National Academy of Sciences was to encompass a wide range of subjects.

As early as 1895, Wolcott Gibbs, then president of the Academy, who was a chemist and one of its founding members, proposed extending membership beyond the physical and biological sciences, (what you refer to as the "hard" sciences) to encompass history, anthropology, ethnology, geography, agriculture and political science. Gibbs' proposal was reviewed but not approved by the Academy. In the early 1900's, the Academy did elect some psychologists as members, including William James, but again turned down innovative proposals to broaden the Academy's membership to include scholars from the philosophical, economic, histori-

cal, humanistic and social sciences.

Basically, English and American science, going back to Francis Bacon and his contention that the natural sciences were the only true and valid sciences, exclude all but observable, measurable or objective "hard" data. Most English and American scientists still believe this to be the case. Whereas German science traditionally includes the subjective world as real and attempts to study phenomena and things that one cannot see or directly measure, for example, the physics of Albert Einstein and the psychology of Carl G. Jung.

Rather than intensify the split between science and art (which really represents experience and the basis of empiricism), we should perhaps transcend it by changing the name of the Academy to the National Academy of Arts and Sciences (similar to many colleges and universities) and open the membership to prominent scholars in fields such as fine arts, design, architecture, women's studies, mythology, religious studies, English, humanistic medicine and philosophy (as well as the behavioral and social sciences). This would enrich both sides and lead to more creative and innovative collaborations.

Despite all the controversy about Samuel P. Huntington, the professor of political science at Harvard, of the 61 new members of the National

Academy of Sciences, 13, or 21 percent, were members of what might be called the "human" arts and sciences such as medicine, psychology, sociology, anthropology and economics. This is a healthy trend. Before this year's election, there were only 12 percent, or 177, of the total membership of 1,462 in the social or behavioral sciences, i.e., human sciences.

I would recommend two reference sources about the National Academy of Sciences and the origin of the scientific culture in America: "Dear Doctor, Personal Letter to a Physician," by Charles E. Odegaard and "The National Academy of Sciences: The First 100 Years 1863-1963," by R. C. Cochrane. DAVID H. ROSEN, M.D., College Station, Texas, May 6, 1987

The writer is professor of analytical psychology, Texas A & M University.

Was This Objectivity?

To the Editor:

The decision of the National Academy of Sciences not to admit Prof. Samuel P. Huntington to membership seems difficult to justify by criteria normally applied to the election of social scientists. Although skepticism about social science as such may have played a role in the decision, the debate was not joined at this level. Instead, an attack was directed, quite unfairly, at one individual.

Some reports of the meeting suggest that the unpopularity of Professor Huntington's conservative political views played a role, which would be an ironic comment on the objectivity of scientists who pride themselves on that virtue. Yet even if political considerations were absent, we can question the arguments on which some members of the Academy may have relied in denying membership to Professor Huntington.

Professor Huntington's distinguished work has been characterized by interpretive creativity, wide-ranging scholarship, disciplined thinking and a concern for policy recommendations. He writes lucidly; he has not relied on jargon or mathematics to give his work an aura of "science." Nor has he concealed his political opinions. Some social scientists may use mathematical symbols as "a type of language which gives the illusion of science without its substance," but this is not typical of Mr. Huntington's work. Insofar as the Academy's decision was based on such criticism, it is not an accurate assessment of Professor Huntington's work or of his qualifications for membership in the Academy.

ROBERT O. KEOHANE
STANLEY HOFFMANN
JOSEPH S. NYE JR.
ROBERT D. PUTNAM, SIDNEY VERBA
Cambridge, Mass., April 30, 1987

The writers are members of the government department and of the executive committee, Center for International Affairs, Harvard University.

When Winning Is Another Way of Losing

To the Editor:

Some weeks ago, in a benign, grandfatherly mood, I bought a \$100 raffle ticket from a charity and gave it to my 3-year-old grandson. Then last week, something terrible happened: He won. And what he won was a first-class trip for two to Paris, complete with a stay at the Plaza Athénée Hotel and other amenities, adding up to a stated value of more than \$13,000.

Under the 1986 tax code, this triggers a tax bill of about \$5,500, which his piggy bank isn't heavy enough to handle, and thus the burden must fall on his parents or, worse, on me. As a result, my daughter isn't speaking to me, my wife thinks I'm stupid, and the Internal Revenue Service must be salivating at the windfall.

Since the boy can't speak French yet, he doesn't really want to go to Paris; and even if he did, taking his 4-year-old girlfriend as a live-in for two weeks would, his other two grandparents say, be positively immoral. So that's out.

He can't give the prize to his parents because they work too hard and don't have time to go. He can't give it back to me because I won't stand in line for a day and a half to get a French visa. The only thing he can sensibly do is



Douglas Florian

return it to the charity and stop all the fuss. I pray that's what he'll do. But down the line, when he's 10, he'll be the subject of an I.R.S. audit because winning has to be reported (Form 1099 Misc.), and he'll have to prove he gave it back. Without such proof he'll have to pay the back tax, plus interest.

Here is a perfect example of the old saying, "No good deed goes unpunished." GEORGE H. TILGHMAN
New York, May 1, 1987

Genetic Dabbling

To the Editor:

Lloyd McAulay compares the development and release of genetically altered bacteria to breeding "dogs and horses, daisies and roses" (letter, May 11) and so does not fear creating a situation over which we may lose control. A more appropriate parallel might be the introduction of "new" organisms into the environment and the importation of European, African and Asian species.

Our Southern waterways are choked with water hyacinths, originally imported as an ornamental plant; aggressive African bees are spreading north from South America. The American chestnut and elm trees face extinction by blights from Europe, and the effect of "European" diseases on pre-Columbian civilizations is well known. There is reason to worry.

GEORGE E. GRUSKY
Woodhaven, Queens, May 12, 1987

In Death, as in Life, Casey Stirs Strong Feelings

To the Editor:

William Safire missed the point in his eulogy for William J. Casey, former Central Intelligence Agency director (column, May 7).

Mr. Safire implies that Mr. Casey was mentally ill because of cancer when he used his position and power to take us into the Iran-contra mess. Mr. Safire refers to a "desperate mind that led the Reagan Administration over a cliff." How many absolute monarchs of the past, how many dictators today, have run countries "over a cliff" because of craziness?

It is to prevent that happening in this country that ultimate control in our government is vested in Congress, whose members presumably can't all be crazy. That is why Mr. Casey and his friends didn't tell Congress what they were doing.

What if the next case of brain cancer is in the White House? On this

point Mr. Safire remains eloquently silent.

JOHN GUENTHER
New York, May 7, 1987

To the Editor:

Bishop John McGann's comments about contra aid in his "eulogy" of William J. Casey were completely out of order (front page, May 10). Whether the United States should or should not aid the contras, whether the clergy should or should not use the pulpit for political purposes, are questions on which reasonable people differ. However, to seize the opportunity where one has been honored to speak at a burial ceremony, to make pejorative statements about the behavior of the deceased, is unconscionable. In his zeal to take cheap shots at the President and to thus make headlines, the Bishop misbehaved. As a Catholic, I am embarrassed. NICHOLAS A. DISALVO
Hartsdale, N.Y., May 10, 1987

The Seclusions of Men-Only Clubs and Purdah

To the Editor:

Dr. Edith Shapiro's argument (letter, April 26) for men-only clubs — the "primordial id" and men's inability to control their aggressive impulses — is not only an insult to men but also one of the oldest dodges for preserving power in the hands of a few. Men-only clubs have more to do with preserving privilege than with curtailing the id. Indeed, the survival of such sexist institutions prevents development of more mature ways of coping.

Dr. Shapiro is in good company, although she may not know some of her companions. Similar arguments, citing the inescapable power of sexual attraction and the need to prevent moral chaos, have long been used in support of the segregation of women and men in many countries.

Purdah — the seclusion and veiling of women — is again on the increase in some countries. It is a more radical form of sex segregation than men-only clubs, of course, but is based on much the same kind of fearful thinking. Where purdah is practiced, opponents have a more respectful view of the ability of both women and men to control their impulses without the need for seclusion and veiling.

One of the most effective, and funniest, critiques of purdah was written as long ago as 1905 by Rokeya Sakhawat Hossein, a Bengali Moslem woman writer who invented a utopian fanta-

syland in which men were secluded from public life. Her argument? The seclusion of women is needed as long as men are unrestrained: "It is not safe" — for women — "so long as there are men about the streets, nor is it so when a wild animal enters a marketplace," or when "some lunatics escape from the asylum and begin to do all sorts of mischief."

"Men, who do or at least are capable of doing no end of mischief," she wrote, "are let loose and the innocent women shut up! How can you trust those untrained men out of doors?"

She, along with other critics of purdah, knew very well that even if "the id cannot be legislated away," in Dr. Shapiro's words, it also does not need the support of legal and social institutions to prevent the maturation of the ego. Both women and men deserve a chance to make their way in the world without the barriers of legalized sexism.

RIANNA PAPANIK
Boston, May 1, 1987

The writer is a research associate at Boston University's Center for Asian Development Studies.

Gotham's Groundhog

To the Editor:

In response to Edward Rutherford's letter (May 3) about New York City's native wildlife, a word should be said about the remarkable groundhog Phyllis (also called Fifth Avenue Phyllis), living underneath the Children's Zoo at 65th Street.

The only groundhog correctly to predict extension of winter weather for two years (Pumksutawney Phil notwithstanding), Phyllis is also the only groundhog to have voluntarily taken up residence in a zoo. She is not a captive specimen, and regularly emerges from her burrow to socialize with zoo visitors in the early morning and late afternoon hours.

To the delight of the public, Phyllis has produced a trio of young woodchucks, who often accompany her in her peregrinations. Her fan club, while not so large as that which will see the Bronx Zoo's visiting pandas, seems clearly as enthusiastic. Mr. Rutherford's contention that native wildlife has a great deal going for it is quite true. HERBERT CLEMENT
New York, May 6, 1987



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A Trade: Cable TV, Baseball

By John C. Dearie

Peter Finch's classic line shouted during his Academy Award performance in "Network" best captures the frustrated feelings of outer borough New Yorkers who have been living without cable television: "We're mad as hell, and we're not going to take it any more!"

When folks in Kalamazoo, Mich., Sheboygan, Wis., Paducah, Ky., and Woonsocket, R.I., can view cable TV but the overwhelming majority of Big Apple residents from obscure hometowns named Brooklyn, Bronx, Queens and Staten Island can't, the picture is totally out of focus.

The crisis really struck home in March when sports fans learned that only 40 regular season Yankee baseball games would be telecast on WPIX-TV, which had broadcast Yankee games for four decades. Another 100 Bronx Bomber ball games would be shown on Sports Channel on cable. Mets fans also learned that the broadcasting schedule on WOR-TV was reduced from 90 Mets games last year to 75 this season.

But one huge hitch remains: Almost no one has access to cable.

There are two problems. First, getting cable wiring installed over the long run, and second, keeping sports programs on commercial TV until cable is available throughout the city.

Fortunately, a solution in which everyone wins does exist.

The lead-off must start with Mayor Koch signing the contract amendment that has already been approved by the Board of Estimate and that would permit the installation of cable wiring to start throughout the Bronx and two-thirds of Brooklyn — franchise areas that are now held by the Cablevision Systems Corporation.

In fact, that seemed set 10 days ago. But at the last minute prosecutors successfully prevailed upon Mayor Koch to withhold his signature. Mayor Koch termed it "premature," refused to sign the amendment and sent the whole cable issue back to square one.

Obviously no one should impede full, independent investigations into this competitively bid contract. But unobstructed investigations and full-

Start wiring Brooklyn and the Bronx, and get back lost Yankee and Met games.

steam ahead wiring installation can co-exist perfectly, beginning now. That is because a "no-cause escape clause" permits the city at any time, even without showing of wrongdoing, indictment or conviction, to withdraw from the contract.

That way, by signing, installation could commence immediately. Thus, in the future should the city exercise its escape clause, Cablevision would be dropped and another franchiser brought in to pick up the installation work at that stage. During that time, inch by inch, neighborhood by neighborhood, the two wireless boroughs would begin to be wired.

Consider the time-losing consequences of doing nothing. From the moment the Mayor's signature dries on the bill, complete wiring of the Bronx would still take seven years, and approximately five years for Brooklyn. Every day that the starting date is delayed sets back the time when wiring work can be completed.

In Queens and Staten Island, the wiring process is now under way. Moreover, approximately 305,000 Manhattanites already have access to cable, and many of them have had it for more than 20 years.

By signing the amendment, Mayor Koch would deserve win public gratitude for granting final authorization to wire the two cableless boroughs. Meanwhile, the investigations could continue.

The short-term goal should be to get more ball games on commercial television this season.

Who else would win? Cablevision would win by gaining the authorization to install cable in both boroughs, a deal worth about \$500 million.

The key to this formula rests with Cablevision's controlling interest in Sports Channel. By gaining wiring authorization, it could be persuaded to surrender Sports Channel's current contractual rights, resulting in 35 more Yankee games and 15 Mets games on TV.

The Yankees' George Steinbrenner needs only to forego his "buy back" option on the cable contract from the end of the 1988 baseball season to two years later, thereby winning fans' appreciation for giving them back the games they want so badly.

Hardly anything is more American than summertime, baseball and pennant drives. We don't want to see tired, old movie reruns. We want more Mattingly at-bats and Hernandez line drives.

John C. Dearie, Democrat of the Bronx, is a state Assemblyman.

Applying Leverage on South Korea

By Stephen J. Solarz

WASHINGTON — The decision by South Korea's President Chun Doo Hwan to end negotiations with the opposition on a new system of government, and to proceed with a presidential election on the basis of the existing Constitution, could jeopardize South Korea's future and impair vital American interests in Asia.

The South Korean Government seems to believe that President Chun's willingness to leave office at the completion of his term in 1988 is sufficient to satisfy the democratic aspirations of the people.

Yet South Koreans are not likely to accept "Chunism without Chun" as a substitute for genuine democratization. In view of the opposition's strong feeling that the current system of indirect Presidential elections is stacked against it, Mr. Chun's decision could well lead to huge protests by students and other alienated sectors of the population who want democracy now rather than at some indefinite time in the future.

A recurring cycle of challenges to, and crackdowns by, the authorities would likely lead to political instability, economic uncertainty and even a growing danger of war. Across the border, barely 30 miles from Seoul, lies hostile North Korea headed by Kim Il-Sung, who could view widespread disorder in South Korea as an opportunity to achieve his ambition of reunifying the Korean peninsula under Communist control.

This potentially explosive situation is fraught with peril for the United States. Some 40,000 American troops, who would instantaneously be involved if another war broke out, continue to stand watch along the 38th Parallel, a tangible manifestation of our formal defense commitment to the security of South Korea. Twenty billion dollars in trade flows between our two countries, making South Korea our seventh largest trading partner. South Korea is, in short, a country we cannot afford to ignore.

It is, therefore, essential that a way be found to reopen negotiations between the Chun Government and the opposition. For it is only through such a dialogue that a national consensus can be achieved and that political stability, continued economic growth, and the preservation of peace can be assured.

The South Korean Government, if it is sincere in its professed commitment to democratization, could move unilaterally to improve its human rights record. There is nothing to stop it from immediately removing constraints on the press, releasing all political prisoners, ending the torture of detainees and establishing an independent judiciary.

By taking these actions, the Government would go a long way toward improving the human rights situation, but, equally important, such steps would generate the kind of trust and confidence on the part of the opposition that could facilitate an agreement on a broadly acceptable political system for the nation.

The differences between the Government, which favors the establishment of a parliamentary system, and the opposition, which has insisted on a system of direct presidential elections, pose a serious political problem for the United States.

Democracy, after all, can take many forms — presidential as well as parliamentary, federal as well as unitary, unicameral as well as bicameral. And it would clearly be inappropriate for Washington to express a preference for a particular democratic system, just as it would be inappropriate for us to endorse a particular party or candidate. These are matters for the South Korean people to determine for themselves.

But given our interest in South

Stephen J. Solarz, Democrat of New York, is chairman of the House Foreign Affairs subcommittee on Asian and Pacific affairs.

Korea, it is entirely appropriate for us to express a preference for democracy over dictatorship, for tolerance over torture and for peaceful reform over violent revolution.

Some skeptics have argued that democracy is not possible in South Korea. It is said that a Confucian heritage, with its emphasis on authority and obedience, is incompatible with a pluralistic civic culture. Others contend that the military threat from the North makes democracy a luxury that South Korea cannot afford.

South Korea, to be sure, does have a Confucian legacy, but so does Japan, which for the last 40 years has maintained a free and open society. Moreover, even traditional Confucian systems recognize that rulers should be responsive to the needs of their subjects and accountable for their actions.

Nor do the imperatives of national security necessarily conflict with the requirements of democracy. In peace and war, the United States, Israel and the countries of Western Europe have demonstrated not only that political pluralism can prosper in a hostile environment, but that by giving the people a greater stake in the defense of their country, democracy can actually enhance the security of a nation.

In considering how the United States can help to bring about the establishment of democracy and a greater respect for human rights in South Korea, we need to understand the sources of our leverage as well

as the limitations on our influence.

Since South Korea is no longer a recipient of American foreign aid, we are not in a position to cut or condition such assistance as a way to move the Government in Seoul in the direction of greater democratization.

As for the 40,000 troops that we have stationed in South Korea, it would be both inadvisable and imprudent to threaten their withdrawal. The presence of the United States forces lends credibility to our defense commitment, while their removal would significantly diminish the

deterrent value of our mutual security treaty, thereby increasing the chances of war.

This is a view shared by South Korea's two leading opposition figures, Kim Dae Jung (who again is under house arrest) and Kim Young Sam, and by such prominent champions of human rights as Stephen Cardinal Kim, who believe that another war would spell the end of all their hopes for greater political freedom in South Korea.

Still, by virtue of the important contribution we make to the security and prosperity of South Korea, we are not without influence in Seoul. What the United States says does matter to the South Korean Government and the people.

Whether or not we succeed in our efforts to bring about a change in Government policy, it is essential that we make it clear to the South Korean people that we are on the side of democracy rather than dictatorship.

Washington should press Seoul to reopen negotiations with the political opposition.



Larry Carroll

ON MY MIND

A. M. Rosenthal

The Golden Land

One night, creeping through the bushes along the Texas side of the border, I began to laugh. I laughed until I had to stop and sit on the ground to control the sense of wild comedy that suddenly seized me.

A colleague and I had been taken out by an American border patrol to show us how they caught wetbacks trying to sneak across a shallow part of the river. Slithering along in the dark, I suddenly thought, I'm one too — a wetback, and so was my father.

I had a swift image of my father wiping tears of laughter out of his eyes if he could see his only boy solemnly crawling through bushes with a bunch of eager young cops keen-eyed to catch people doing pretty much what we had done, long ago. His hilarity was contagious.

"Davey," I finally was able to whisper to my fellow editor, "I am one of them," pointing across the river. "Not one of them," pointing to the young men from the border patrol.

That was a few years back and just the other day I again felt like the ones across the river, when I read an appeal from President José Napoleón Duarte of El Salvador. It was in behalf of the hundreds of thousands of Salvadorans who had journeyed to the United States to try to earn a living — exactly the reason my father, Harry, had come to this country from Canada.

They are here without legal papers, as my father and I had been. Under the new immigration bill they will have to get out. Instead of being able to send money home, they will probably wind up in some Salvadoran village waiting for American aid handouts.

The new immigration bill generally makes sense. It grants amnesty to those illegals who can prove they entered the U.S. before Jan. 1, 1982, and have lived here continuously since then, and it provides quotas for the future. In the words of its supporters, it closes the back door of illegal immigration to keep open the legal front door.

There are exceptions for illegal immigrants who claim political refugee status — including some anti-Government Salvadorans who cite fear of terrorism. But it does not exempt most Salvadorans in the United

Harry, his son — and the Salvadorans.

States, who fled their embattled country in economic desperation.

I thought of Harry again; no laughter this time. He left Russia in the early years of the century because he detested czarist despotism. He went to Canada. He was a bookish outdoorsman and became a farmer, a layer of track and finally and most happily, a fur trader in the north country.

But Harry somehow could not make a living in Canada. So he moved the wife he had sweet-talked into joining him in Canada, five daughters and me to the United States. People did that a lot those days, moved to where the work was.

Harry died when I was 13. Five years later, I discovered that he had never become an American citizen. So I was not one either. And when The Authorities found out that I could not tell them precisely what train I had taken to the United States when I was 4 years old, they told me I was here illegally.

They gave me an alien registration card, however, and allowed me to stay. To become an American citizen I had to recross the border, many years later, get papers at a U.S. consulate and officially enter the country where I had lived for most of my life.

I am sure that the reason Harry never became an American citizen is that he had a problem answering those pesky questions about entry details in the application form.

Most of the millions of immigrants who helped build the country also came here to earn bread for themselves and their families. They called it the Golden Land, not because they thought they could sweep up riches but because they knew they could work and earn. They were often weary with labor and worried about the next dollar, but I never once heard "Golden Land" said with derision.

Harry deeply loved the open far country of Canada and he would have preferred to stay there as a trader. But if he had to give it up and take a job he hated in New York to support his family he did, and blessed this land for the chance. He blessed it even in the months after he fell off his house painter's scaffold, the bad lingering months before his death. There was no czar and no Cossacks and no Communists, and a man could make a living.

President Reagan has turned down Mr. Duarte's appeal. Sometimes the benefits of being an American ally are hard to discern.

So if Harry was a Salvadoran he might be getting ready to be thrown out and that could have gone for me too. Of course they would have had to catch us first.

The country is no longer the Golden Land for all seeking work. But Congress at least can make exceptions for economic refugees, those who flee war to make a living. Some of the senators and representatives in Washington may be Harry's boys too.

Jordan's Quest for a Peace Parley

By Wolf Blitzer

WASHINGTON — Jordanian authorities want an internationally based Middle East peace conference, and want it soon. They are, in general, very realistic about Israel. They recognize that Israel has become a fact of life in the region and that it is not about to disappear. They very much want to reach some sort of accommodation and appreciate the limits within which Israeli politicians have to operate.

During my six-day visit to Jordan last month (a breakthrough by a representative of an Israeli newspaper), they told me that they also want Israel to understand Jordan's limitations. It is small, with Syria on one side and Iraq on the other. Some 60 percent of the Kingdom is Palestinian. Jordan is not Egypt and, thus, King Hussein, no matter how sincere and courageous in his own quest for peace, cannot afford to be another Anwar el-Sadat.

Top officials speak candidly and openly of their desire to reach some sort of peaceful settlement with Is-

rael. They have a very pragmatic awareness of Israel's strength.

I was impressed by the seriousness of their drive to get direct peace negotiations with Israel off the ground at an international conference, which would consist of the five permanent members of the United Nations Security Council as well as Jordan, Israel, Egypt, Syria, Lebanon and representative Palestinians.

The Jordanians very badly want an international conference to convene before the end of this year, fearing that next year's Presidential and Congressional elections in the United States inevitably will preoccupy America's thinking.

"If the international conference doesn't take place this year, it will be extremely difficult for it to take place next year for many reasons," Foreign Minister Taher al-Masri said during an interview.

The Jordanians insist that the moment has never been better for direct Arab-Israeli peace talks, despite the rejectionist decisions taken by the Palestine Liberation Organization in Algiers recently. They are prepared to swallow those decisions and not make a major fuss over them, provided that an international meeting can take place. The Jordanians insist that the P.L.O. chairman, Yasir Arafat, can still be brought into line.

That may be an overly optimistic opinion, but one that the Jordanians express. They are challenging Israel to test the waters for peace. Thus, Mr. Masri acknowledged continuing "complications" but insisted that Jordan would not allow "any party to close a door."

King Hussein has been secretly meeting with various Israeli leaders for many years. Unfortunately, it has not yet been possible to translate that dialogue into open negotiations. Hussein understandably fears for his physical and political survival.

The Jordanians routinely complain that Mr. Arafat and his closest allies in the Palestinian movement are living in a dream world. A Western diplomat in Amman agreed with the prevailing Jordanian assessment that Mr. Arafat's major blunder over the years in trying to advance the Palestinian cause has been his preference for working toward P.L.O. unity rather than for accepting more pragmatic, but harder and disruptive concessions.

One Jordanian minister said that Mr. Arafat and other Palestinian leaders remain convinced that if they pursue their "armed struggle" — without genuine political compromise such as acceptance of Security Council Resolution 242 — Mr. Arafat would one day become president of Palestine, Abu Iyad would be vice presi-

dent with Farouk Khadouri foreign minister. Palestine would then be a state, with membership in the United Nations, an army, a flag and a national football team.

But authoritative Jordanian spokesmen believe that Israel is never likely to accept any such notion of an independent Palestine. By holding out for this vision, they say, the Palestinians are losing valuable time. Instead, the Palestinians should reach for something more realistic and attainable — namely, something short of an independent state. This automatically means some sort of linkage with Jordan, like the Jordan-West Bank confederation Hussein has proposed.

Jordan keeps telling the P.L.O. that virtually no responsible Israeli leader will go along with the P.L.O.'s ultimate goals. Meanwhile, Jordanian officials say, the real losers over the years have been the Palestinian people themselves; especially those living in refugee camps, under Israeli occupation and in the chaos of Lebanon.

Leaving Jordan, I felt both encouraged and sad — encouraged about a sincere peace-oriented drive that clearly exists among many senior officials but sad that it may not be enough to break down the barriers with Israel.

Wolf Blitzer is Washington correspondent of The Jerusalem Post.

The Myth of a Post-Industrial Economy

By STEPHEN S. COHEN
and JOHN ZYSMAN

IN THE 1960's, when Americans still looked to the future with unbounded optimism, analysts such as Daniel Bell and, later on, popularizers such as Alvin Toffler, confidently predicted an imminent and historic transition from a dirty and dank industrial era to a lean, clean information age — the post-industrial economy. Today, that vision has become the accepted wisdom that guides policy. But it is guiding policy the wrong way.

The fact is, manufacturing matters mightily to the wealth and power of the United States and to our ability to sustain an open society. If we want to stay on top — or even high up — we cannot shift out of manufacturing and into a service-based post-industrial economy.

We must reorganize production, not abandon it; automate, not emigrate. The difference is decisive for both American companies and society. Companies will not long be able to control what they cannot produce competitively. Society cannot lose mastery and control of manufacturing and expect to develop the high-wage service jobs that define post-industrialism.

The reason is clear and simple, involving what we call direct linkages: A substantial core of service employment is tightly tied to manufacturing. It is a complement, not a substitute or successor, to manufacturing. Lose manufacturing and we will lose — not develop — high-wage service jobs.

In such countries as Japan, France, Sweden, West Germany and Brazil, this view guides national policy and corporate strategy. But in America, the dominant view in academic, government and corporate thinking is different. It celebrates the advent of the post-industrial economy and prepares lists of sunset industries to be

Stephen S. Cohen and John Zysman, directors of the Berkeley Roundtable on the International Economy, are co-authors of "Manufacturing Matters."

written off.

The New York Stock Exchange put it clearly in a study of competitiveness: "A strong manufacturing sector is not a requisite for a prosperous economy." Forbes Magazine advises that "instead of ringing in the decline of our economic power, a service-driven economy signals the most advanced stage of development."

President Reagan made the same point in explaining away what many take to be the troubling performance of American industry: "The move from an industrial society toward a 'post-industrial' service economy has been one of the greatest changes to affect the developed world since the Industrial Revolution. The progression of an economy such as America's from agriculture to manufacturing to services is a natural change."

This view of economic history as a process of shifting from sector to sec-

tor in order to shift to higher and higher levels of productivity is familiar and reassuring. But it is also misleading. It leads us to confuse two separate transitions: a shift out of agricultural production (something parallel to curtailing manufacturing or taking it offshore) and a shift of labor out of agricultural production (the equivalent of increasing labor productivity through automation). Only, in agriculture, the first never occurred. American agricultural production did not go offshore or shrivel up. It was automated.

THE conventional figure for agricultural employment in the United States is about three million. But the conventional employment categories are seriously flawed, presenting a grossly distorted picture of reality. To arrive at a figure of three million for agricultural employ-

ment the Government uses a system that, to tabulate industrial employment, would count only people in the factory.

Crop dusters are service workers. But if there were no domestic agricultural production, there would be no crop dusters; no large animal vets either. These service jobs are "tightly linked" to agricultural production. Similarly, the winery must be near the vineyard, the ketchup factory near the tomato patch. If you try to calculate agricultural employment to include such tightly linked jobs, numbers more like six or eight million provide a better estimate of the overall impact.

Similar tight linkages tie service jobs to industrial production, but on an employment base of 21 million rather than three million. Not very long ago, it took about \$50 million to develop electromechanical central switches for the telephone system, and about 2,000 workers to produce them. Now it takes about 50 workers to produce the new digital switches, but about \$1.5 billion to develop one. Most of that development money goes to employ systems engineers and programmers; many of them count as service workers.

Some 25 percent of G.N.P. consists of services purchased by American manufacturers. Lose manufacturing and we would lose not just millions of direct production jobs but also a good chunk of those service jobs. Because the wealth and power of the United States is at stake, the post-industrial economy view is a radical and terribly risky policy guide.

Of course, things have changed. Production work has changed. People go home cleaner; more and more of them leave offices rather than factories. Service activities have proliferated. The division of labor has become infinitely more elaborate. But the key generator of wealth for this vastly expanded and differentiated division of labor remains mastery and control of production. We are not experiencing a transition to a post-industrial society, but from one kind of industrial society to another.



Brian Cronin

The Economy

WEEK IN BUSINESS



Rudolph W. Giuliani

The Government asked to dismiss insider trading charges against three Wall Street professionals, but the defendants' lawyers are fighting the request. The strange twist in the insider trading scandals came when a Federal judge denied a request by the Government for a two-month delay in the trial of Timothy L. Tabor, Robert M. Freeman and Richard B. Wigton. The Government said it needed more time to develop its case, and, when it could not get the delay, asked for a dismissal of the indictments so it could seek new, broader indictments. The defense lawyers are expected to ask the judge to either order an immediate trial or dismiss the indictments "with prejudice," preventing the Government from bringing the same charges again. The development was seen as the first major setback in the Wall Street investigation for Rudolph W. Giuliani, the United States Attorney in Manhattan. For its part, the Government claims that it has so much information that it needs time to develop a wider and more comprehensive case against the three men.

The trade gap narrowed in March, to \$13.6 billion, from \$15.1 billion in February, thanks to a surge in exports. But imports also jumped, and most economists said that indicated

Trade Deficit
\$13.6
Billion
in March

that the United States' serious trade problems remain. They acknowledge, however, that a continued fall in the dollar would help the situation, since it would make imports even more expensive, and exports that much cheaper for overseas buyers. Separately, a plan approved by the Senate Agriculture Committee would give huge subsidies to American farm exports in 1990 if other nations do not reduce or eliminate their own subsidy programs. Pressure is building worldwide for an end to farm subsidies, which aggravate trade tensions.

Producer prices spiked several tenths of 1 percent in March, led by energy prices. That put inflation at an annual rate of 3.9 percent, although few economists expect it to maintain that rate. Retail sales edged up just one-tenth of 1 percent in April, mostly because of increased prices and not increased volume. Business inventories rose four-tenths of 1 percent in March, the third consecutive increase. Sales rose eight-tenths of 1 percent, and that helped the inventory-to-sales ratio fall to 1.48, from 1.49. Industrial production fell four-tenths of 1 percent in April, the biggest drop in more than a year.

Major banks raised the prime rate again to 8 1/2 percent from 8 percent. The third increase in six weeks. The banks said their borrowing costs have been increased as the Fed tightens. The rise in the prime reflects — and is expected to feed — the general upward trend of interest rates.

Stocks and bonds fell on the economic news. The Dow Jones industrial average had been trading in a narrow range most of the week, although the market as a whole was down, but the Dow fell 52.97 points on Friday on the slew of economic news. It ended the week down 49.78, at 2,272.52. Bond prices continued to soften on economic pessimism.

Burlington fought back against a takeover offer from Asher B. Edelman and Dominion Textile by offering to buy up to eight million of its

own shares at \$60 each. Mr. Edelman had offered \$67 a share for all of the company's shares, but late in the week he increased the bid to \$72. Burlington said it would offer financial information to any third-party bidders including a management group.

The Senate approved a \$1 billion aid for the F.S.I. and the other package now goes to a conference with the House, which has approved \$5 billion in aid. The Senate version of the bill curbs new lending to banks and securities underwriting.

Allergis fought to avoid a takeover of its United Airlines subsidiary, by vying an investment from Boeing. Boeing will provide United with \$10 million in financing and United will buy \$2.1 billion in planes from Boeing. The deal would give Boeing as much as 17 percent of Allergis stock, but bars Boeing from making a takeover bid. United has recently become a prospect with its plants — and maybe others — seeking to leave the airline.

A shake-up at Western Petroleum was engineered by General Electric, which bought 30 percent of Western last year. Ralph G. Bunker, chief executive at Western for nearly 10 years, will be replaced by John S. Cathcart, a GE executive. GE's president, John F. Welch, is also resigning in a move to help GE gain control over Western.

BankAmerica's president resigned. Thomas A. Cooper apparently had differences with BankAmerica's chairman, A. W. Clausen, and many of Mr. Cooper's responsibilities had been transferred elsewhere.

First Interstate Bancorp. of Los Angeles is discussing a merger with Allied Bancshares of Houston that would make First Interstate a bigger force in interstate banking.

Scott Paper Co. is planning to open a \$300 million plant that would give Baxter International a new niche in home health-care services. Baxter already is the largest hospital supply company.

Miscellaneous. Aid to black African nations and clearing the way for free-trade talks are likely to be the major items at the June summit meeting of major industrial countries. Congress is considering requiring mail-order companies to collect sales tax on out-of-state purchases. A.T.&T. plans an average 18 percent cut in long-distance rates. Chrysler is turning its parts manufacturing unit into a wholly owned subsidiary called Acustar. Texaco formally suspended its stock dividend.

MERRILL PERLMAN

Giving the Service Economy a Bum Rap

By RONALD K. SHELPS

IN the last 10 years or so, the service economy has earned such a bad name that its apologists have resorted to a series of synonyms to describe it, including "information" economy, "knowledge" economy, and most recently, "new" economy.

The service economy has fallen from grace as Americans have come to equate it with the decline of manufacturing, lower wages and a shrinking middle class, low-skill, low-tech economic activity like hamburger flipping and a host of other ills, ranging from big government to productivity declines.

No one in his right mind would want to be associated with these evils, including me. But this characterization strikes me as exaggerated and unfair. A service economy may not be nirvana, but it is certainly not the hamburger-flipping hell that some envision for the 1990's.

First, some definitions. A service economy is one where more than half the work force is employed in the service industries. In the United States, the figure is 75 percent. In addition, services provide 69 percent of gross national product and about 25 percent of exports.

Has the service economy grown at the expense of manufacturing? Serv-

Ronald K. Shelp, who writes frequently on services, is completing a book entitled "The Secret to Understanding a New Economy."

ices have expanded at a time when manufacturing has been battered by an overvalued dollar. Manufacturing employment, after growing by 1 percent a year between 1960 and 1981, declined by 2.6 million jobs in the past five years. The years 1981 to 1986 also coincided with an explosion in service jobs — some 10.4 million. This has led some to conclude that the growth of services came about because of manufacturing's decline. In other words, services grew because people switched to service work when they lost manufacturing jobs.

There are problems with this logic. First, the recent growth in service jobs continues a trend that began long ago. During the same 1960 to 1981 period that manufacturing jobs grew 1 percent annually, service employment grew 3.2 percent a year, with 17 million jobs created in the 1970's alone (out of a total of 19 million).

Service jobs are not simply a substitute for lost manufacturing jobs. Rather, the way manufacturing and other companies have responded to international competition and technological change has spurred service job creation. For example, restructuring has increased demand for a host of services — investment banking, legal, accounting. Downsizing has led to contracting outside for services. While these changes spurred the growth of many services, it hurt others who lost business when their clients fell on hard times.

Second, until very recently, manufacturing had not really declined. Even with the overvalued dollar,

manufacturing accounted for 21.7 percent of G.N.P. in 1986, versus 21.4 percent in 1980. Between 1982 and 1986, according to a New York Stock Exchange study, American manufacturing's share of world trade held relatively constant at about 14 percent. Only with the 1982 recession and the continuing dollar problem did the share begin to deteriorate.

WHAT about low service-sector wages and the decline of the middle class? The widespread notion that service jobs are low-skilled and poorly paid was taken a step further recently by Prof. Barry Bluestone and Prof. Bennett Harrison, who argue that the loss of higher-paid manufacturing jobs has lowered average wage levels to the point that the middle class is shrinking.

This view has been challenged by numerous experts, including Janet Norwood, the Commissioner of the Bureau of Labor Statistics. Additionally, we know that the fastest job growth is in higher-paying service industries, and that the lower-paying consumer-service jobs constitute only about 10 percent of service activity. We also know that manufacturing is not the main determinant of middle class income, since the percentage of workers employed in manufacturing has held at less than 30 percent for many years. Further, since we crossed the threshold to a service economy 47 years ago, we have had rising income levels and a growing middle class.

Unfortunately, this analysis pro-

vides cold comfort for the displaced manufacturing worker who is forced to take a lower-paying service job. But these workers take such jobs because they lack the training for higher-paid jobs, not because low-paying occupations are dominant in a service economy.

The final set of ills identified with a service economy — low-tech activity, productivity declines — relates to the wage issue. Just as the majority of service jobs in our economy are highly skilled, economic activity is dominated by knowledge-intensive, technologically sophisticated industries. Studies suggesting that service activities drag down overall productivity growth can be counterbalanced by others showing service productivity gains outstripping those in the goods-producing industries. This conflicting data is explained by the acknowledged difficulties of measuring the intangible output of services versus the tangible goods of industry.

Can an economy dependent only on services survive? It cannot. Of course, manufacturing matters — but the reverse is true as well. Where would the computer industry be without software (a service industry)?

A service economy is a balanced one where all sectors — agricultural, manufacturing and services — are viable even though the great majority of people may work in one area. Recognizing this may begin to restore the honor of this wretched woman, the service economy, and allow her admirers to come out of hiding.

The Risks of Speculating on Dreams

By JOHN C. BOLAND

Their fans call them the companies of tomorrow — the next Xerox or Xerox. Detractors call them puff stocks — companies with billowing market valuations, but minimal sales, earnings or equity. What these companies have, usually, is a story about a marvelous product that promises to bring an explosion in earnings.

Within the last year, investors have chased companies offering wonder drugs for AIDS, wrinkle-erasing skin creams, a revolution in the internal combustion engine, wristwatch beepers, new video-display panel technology and a host of other promises. Reality has seldom matched the buyers' dreams. And as stories have run out of listeners, share prices have crumbled among them.

Viratek Inc., controlled by ICN Pharmaceuticals Inc., had a market value in 1986 of \$778 million, as the stock soared from under \$10 to \$98.50. But after the Food and Drug Administration took a negative view of Viratek's Ribavirin treatment for AIDS, the company's shares tumbled. Last week they hit \$16.50.

Few stocks were hotter last year than the "blech stocks." David and Isaac Blech, two New York entrepreneurs, were involved in promoting such companies as Cambridge Bioscience, D.N.A. Plant Technology, Lasertechnics, Nova Pharmaceutical and the Vista Organization, a movie

company. Units combining Vista common stock and warrants shot to \$100 from \$13.50. Last week, after Vista released several disappointing films, the units were around \$21. Nova Pharmaceutical, a research concern with negligible revenue, had a market value of about \$500 million when its stock peaked at \$24.25. Last week, the shares were selling at around \$12.50.

International Mobile Machines Inc., which is developing a wireless portable telephone, climbed above \$20, giving it a market value in 1986 of \$200 million even though it had less than \$1 million in revenue. The stock has since fallen to about \$11.50.

"I don't get involved with these story stocks," said Douglas R. Bevers, a vice president with Janney Montgomery Scott in Valley Forge, Pa. "They all look good, but nobody knows when to get out. People buy these things over and over, knowing they're going to get creamed."

Still, these stocks have their defenders — especially among their underwriters. "The biggest money is made when the biggest risk is taken," said J. Morton Davis, chairman of D.H. Blair & Company. Mr. Davis's firm is active in high-flying small companies. Blair floated a major financing last year for the Vista Organization and underwrote Viratek at its initial public offering several years ago.

Recently, Blair recommended the A.T.&E. Corporation, which is developing a wristwatch paging system.

Between January and April, A.T.&E.'s shares rocketed to \$31.875, from \$8. At its high price, the company had a market value of \$290 million, compared with 1986 sales of less than \$1 million. Late last month, D.H. Blair — itself the owner of about 300,000 A.T.&E. shares — declared in an advertisement that A.T.&E. offered "the potential for the most exciting capital appreciation of any situation we have ever recommended."

In a research report, Evelyn Geiler, a Blair analyst, projects revenue for the young company of \$1.3 billion by 1992-93 and earnings per share of \$30. Remarkably, Mr. Davis, "The thing could trade anywhere — up to 30 times earnings. So you're talking about \$1,000 a share." And, Miss Geiler said, "You can't put a price on this — you can't. You don't know where it's going to go. You're buying a dream, a dream that's being realized."

The A.T.&E. dream, in any case, has faded a bit since the first of May. Last week, the shares sagged to around \$24. What interests some on-lookers is that other stocks they consider inflated, which had been showing strength last month, also have fallen back, in some cases sharply.

Copylete Inc., which is developing a flat-panel video display for use with computers and other products, staged a dazzling run in March and April — jumping to \$21 from about \$10, partly on rumors of an imminent manufacturing agreement with a major Asian television maker. To

date, the Long Island-based company has made no such agreement and has no sales. The stock last week was back down to around \$13.50.

At its peak, Copylete carried a market valuation of \$185 million, as bulls estimated that the company might be worth \$1 billion if its technology process revolutionizes the video display industry. Bears such as Michael Murphy, editor of the Overpriced Stock Service newsletter, believe the stock is still overpriced, arguing that other technological developments have passed Copylete by.

Likewise, Carrington Labs Inc., with about \$2 million in sales, surged this year from the low teens to \$33, on hopes that its experimental drug Carisyn can reduce symptoms in patients with advanced cases of AIDS. While the value of a successful drug could be enormous, the market was already pricing tiny Carrington at more than \$170 million. Last week, the stock had backed off to about \$27.

But story stocks can be dangerous for bears as well as bulls. For example, Sonex Research Inc., which claims it has the technology to improve the performance of internal combustion engines, booked no sales last year. Still, its stock soared from about \$4 to \$23, giving the concern a value of \$118 million. But heavy insider selling and doubts about the technology helped drive the stock back below \$4. A triumph for the bears? Not quite. Last week, Sonex was back to about \$12.

The New York Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED MAY 15, 1987 (Consolidated)				
Company	Sales	Last	Net Chg	
Texaco	18,520,200	36 1/2	+ 1	
AT&T	17,777,800	28 1/4	+ 1 1/2	
Allergis	15,608,800	72 1/2	+ 1 1/2	
IBM	9,342,800	160 1/4	- 3 1/2	
LTV	8,395,400	5 1/2	+ 1/2	
Navistar	7,755,600	7 1/2	- 1/2	
NI Sem	7,488,500	14 1/2	- 1/2	
WCA	7,447,800	1 1/2	+ 1 1/2	
A Exp	7,135,800	31 1/2	- 2	
Compaq	6,452,500	45 1/2	+ 2 1/2	
USX	6,412,000	32	- 1/2	
Amex	6,282,700	22	- 1 1/2	
Coca Cl	6,075,100	39 1/4	- 1 1/2	
Borg O	5,899,100	6 1/2	+ 1 1/2	
Bent Tr	5,756,100	23 1/2	- 1 1/2	
Standard & Poor's				
400 Indust	347 1/2	354 1/2	33 1/2	- 6 1/2
20 Transp	238 1/2	235 1/2	236 1/2	- 1 1/2
40 Util	108 1/2	106 1/2	106 1/2	- 2 1/2
40 Financial	25 1/2	27 1/2	27 1/2	- 2 1/2
500 Stocks	298 1/2	287 1/2	287 1/2	- 11 1/2
Dow Jones				
30 Indust	2360 1/2	2286 1/2	2272 1/2	- 49 1/2
20 Transp	988 1/2	940 1/2	963 1/2	+ 6 1/2
15 Util	210 1/2	197 1/2	198 1/2	- 6 1/2
65 Comb	888 1/2	851 1/2	855 1/2	- 13 1/2
The American Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED MAY 15, 1987 (Consolidated)				
Company	Sales	Last	Net Chg	
Wickes	5,989,700	3 1/2	+ 1/2	
Stocke	5,987,700	3 1/2	+ 1 1/2	
Dome Pet	5,196,900	11 1/2	- 1 1/2	
BAT	2,398,500	9 1/2	+ 1 1/2	
WangB	1,887,200	17 1/2	- 1 1/2	
Delmed	1,786,800	1	+ 5 1/2	
Fruit	1,690,800	7 1/2	+ 1/2	
Amehd	1,537,800	38 1/2	- 2 1/2	
Tax Air	1,333,800	41 1/2	+ 1/2	
Wright	1,443,000	31 1/2	+ 1/2	
MARKET DIARY				
Advances	467	Week		
Declines	448	Week		
Unchanged	166	Week		
Total Issues	951	Week		
New Highs	65	Week		
New Lows	57	Week		
WEEK'S MARKET AVERAGES				
High	Low	Last	Change	
New York Stock Exchange				
Indust	205.0	197.9	- 7.9	- 3.94
Transp	145.3	141.7	- 3.6	- 2.48
Util	74.5	71.3	- 3.2	- 4.31
Finance	149.5	144.2	- 5.3	- 3.55
Composite	168.1	162.2	- 5.9	- 3.24
Same Per. 1986				
Total Sales	862,907,740	17,351,850,948		
Same Per. 1986	621,747,263	13,754,045,116		
VOLUME				
(P.M. New York Close)	Week	To Date		
Total Sales	862,907,740	17,351,850,948		
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PEOPLE ARE becoming more garden-minded as suburban settlement increases around the larger towns. The space available for gardening round many new, two-family houses is very limited, but people want some greenery in the smallest plot at the margin of stone walls. Everyone agrees — there should be gardens everywhere. They can be large or small, sophisticated or casual, ornamental or natural. In fact, we need have no preconceived notion of what a garden is, except that it is a place outdoors where we become more aware of ourselves as human beings and of our relationship to the real world of green plants. Because plants are living things they remind us of our own vitality.

A tiny city backyard with a single tree for shade becomes an oasis in what would otherwise be bare masonry. Today the emphasis is on suburban and country gardens for family use, comfort, pleasure and recreation. Such gardens are designed not so much for the display of horticultural skills, as for providing a quiet retreat away from the world. A small paved area or a lawn — space permitting — comfortable furniture (folding garden chairs) some trees for shade, a few shrubs, hedges for privacy and sufficient flowering plants, introduce some refreshing notes of colour. These are the elements of what is becoming the typical suburban Israeli garden. A corner for kitchen herbs in a sunny position is an additional advantage.

It often takes no more than a single family planting a couple of trees for shelter or fruit, installing a piece of hedge for privacy, a few paving stones or a lawn for outdoor sitting — and the whole neighbourhood follows suit. It is unfortunate that these same people, in their enthusiasm are not more aware that their initial need is for planning, not planting. With advance planning frustration can be avoided later. Even so, the fact is that anyone

People become garden-minded



GARDENER'S CORNER

planting a garden is helping to create and preserve a more comfortable and healthful environment for all of us.

THE ATTRACTIVE spring-flowering bulbs have finished their unforgettable performance. The 100,000 tulips all over Jerusalem, together with the numerous daffodils, hyacinths, ranunculi, anemones and crocuses have disappeared from public parks and private gardens. The 10,000 Dutch tulips presented to Kiryat Shmona this year to beautify our northern border region have faded and their dry foliage has been removed by the municipal gardeners. In Haifa, the tulips have been exchanged for summer-blooming amaryllis.

In the capital too, red and pink geraniums, gazanias in orange and yellow, as well as creeping pink and purple verbenas are filling the spaces left by the bulbs in the public gardens.

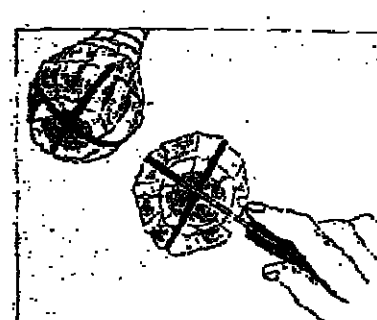
EACH YEAR the perennial question of what to do with the bulbs returns. Since tens of thousands of spring-flowering bulbs were sold and planted this season in private gardens too, we shall once again review some hints for bulb treatment for amateur gardeners that have previously appeared in this column.

Remove all the faded flowers from freesias with the dried leaves and

stems. Leave the little corms in the soil. They will produce more foliage and more flowers next season. When they start germinating in February, carefully loosen the soil around them with a hand cultivator or a kitchen fork and give them a feeding with compost or some other organic fertilizer.

Ranunculi, anemones, muscari, crocuses and other small bulbs may be treated like freesias. Daffodils and narcissi may be left in the soil. Water and feed regularly as long as parts of their leaves and stems remain green. Remove the leaves and stems only when they become completely dry and stop watering and feeding. Don't forget to provide a good plant food for them as soon as they reappear on the surface of the soil, and water them during rainless periods in spring.

In public parks of London for instance, daffodils have become naturalized and show up repeatedly year after year, decorating extensive lawn surfaces. They multiply by bulblets underground producing more flowers each spring. Your garden, too, can benefit from this gift of nature. We need not go far to learn about this natural wonder. There are many places in Israel where wild narcissi (protected wild flowers) have been growing for many years. When they finish flowering and their foliage becomes yellow and dry in late spring, the rains stop and no-



An unusual method of propagating hyacinths.

body waters them, but they can still be enjoyed late next winter. Natural, underground propagation will always be a continuing source of flowers.

Tulips should be removed after their foliage has dried. In Holland, Dutch farmers behead their myriads of tulips as soon as the flowers appear. They are not interested in the flowers, but in the bulbs. After the beheading all the energy goes into the bulb, which becomes enlarged and suitable for export. We in Israel are more interested in the flowers, and since the blooming deprives the bulb of much nourishing energy, we are left with smaller, somewhat degenerated bulbs. The tulip bulbs which we remove from the soil will always be smaller than the one we planted last October. Amateur gardeners should know that tulip bulbs, whether removed from the soil or not, will bloom next spring with much smaller flowers (if at all).

HYACINTHS MAY be left in the ground. They will flower nicely again next season with somewhat smaller blooms. Their fragrance and colour will be the same. Here is an experiment with hyacinth propagation. You will need a sharp knife, a cool, dry place for storage, out of the range of sprinklers, leisure time — and patience.

The hyacinth is one bulbous plant

that does not multiply as others do in the home garden. It does better with a little outside help and, while I do not recommend home propagation as a substitute for buying new bulbs, there are, nevertheless, times when it is advisable or fun to grow a few of your own.

Lift the bulbs out of the soil after their foliage turns yellow. Let the roots dry for two or three days and then clean the bulbs of soil, foliage and roots, and turn each one upside down on a cutting board. Then make two 2 centimetre-deep, criss-crossing incisions in the basal plate. As many as four incisions may be made, but two are usually sufficient (see drawing). Do not apply too much pressure or you will slit the bulb into pieces. The time to propagate hyacinths by this method is now — in late spring. Allow the incisions to heal for two days; then plant in a balcony box or similar container with proper drainage filled with good garden soil. Set the bulbs upside down to a depth of about 10-12 cm, and leaving 3-4 cm, between bulbs. Firm each bulb gently into the soft earth to eliminate air pockets; make a slight depression and fill with water so that the soil settles nicely around the bulbs. Mulch with a 2-3 cm. thick layer of mulch (grass clippings, pine needles or sawdust) and place the box in the shade. In September or early October lift the bulbs carefully with a kitchen fork. Do not use your fingers, or you will break off the young hyacinth bulblets that have formed on the parent bulb. About 10-12 such bulblets may sprout from the flat bottom of the old bulb. They will grow well and make progress in good soil. The first normal-sized flowers will appear within three or four years. In other words, a container planted with four hyacinth bulbs could provide you with a harvest of about 40-45 full-sized bulbs within four years. As I said, with space, time and patience — the profit will be yours.

WALTER FRANKL

The hair of the dog



FURS FINS & FEATHERS

NOW THAT THE warm weather is back, a lot of people have asked if they should clip their long-haired dog. Most of them seem to think that by doing so they will be doing the dog a favour, since "it will be cooler." Nothing can be farther from the truth.

Dogs, unlike ourselves and many other mammals, do not perspire perceptibly on their bodies. Their cooling system is based on panting, with heavy salivation and a small amount of sweating from the nose and foot pads. Their coats of heavy fur are insulation against the heat, and they need them. In desert experiments, Schmit-Nielsen, a physiologist, found that long-haired dogs that had been clipped, and naturally short-haired dogs, lost more water, developed a higher body temperature and had faster respiration and heart-beat than did the ones who had a heavy coat.

This does not mean that there aren't occasions for clipping. Poodles, for instance, do not shed their hair as do double-coated dogs and have to be clipped lest it grow too long. But even here, what is called the "puppy clip" or field clip is enough. Just a trim and general shaping. Terriers and other wire-coated dogs should be plucked, not clipped. After a warm bath, the loose hair is gently plucked free. Of course, a long-coated dog has to be groomed regularly because felted hair can cause "hot spots" that lead to skin eruptions and even ulcerations. But a good weekly brushing and an occasional bath will take care of this, as long as the animal is kept free of ticks and fleas.

ANOTHER QUESTION that has come up lately is the use of pesticides in a garden where dogs and cats are living. All I can say is, be very careful. Even herbicides are poisonous, and many dogs have died from them, since dogs and cats also nibble grass.

A number of pets have been poisoned recently because of a popular preparation for controlling garden snails and slugs. The blackbirds and others eat the poisoned snails, become ill or die, and in turn are eaten by dogs and cats. These secondary poisonings are extremely common. If possible, one should avoid the use of pesticides and herbicides where there are animals around.

In general, one has to be careful of poison where animals are concerned, just as one must when there are children about. Cats that like to drink water from the toilet bowl — and many do this if they get a chance

— get poisoned from the blue flushing-compound that many people use.

There are also a number of commercial preparations to put in the water to keep cut flowers fresh. These are highly poisonous and should not be accessible to cats. I have yet to see a cat that does not prefer the water from a flower arrangement to fresh water in its bowl. Dogs as well as cats I have noticed, prefer to drink from my ornamental pool rather than from their own dish, no matter how green the water.

Roach powders and baits, ant-killers and the like are also very dangerous and if you use them, your cat or dog should be kept out of the room until all powder or bait has been removed. One should caution here that countless canaries, budgies and finches are killed by household insect sprays used against flies and mosquitoes. Birds should be removed from a room before these sprays are used and not returned until it has been thoroughly aired.

It must be remembered that birds are far more sensitive to inhaled poison than human beings or other mammals. That is why miners used to keep a canary in a little cage on their hats. The canary reacted to poison gas long before the man was aware of it.

Incidentally, it is a mistake to keep birds in a room where people regularly smoke. They are extremely prone to bronchial inflammations, and smoke aggravates these diseases and even causes them.

AN AQUARIUM is a different problem, since one can't just pick it up and move it. The best thing is to cover it with several thicknesses of newspaper and tape it in place. The paper should be left on the aquarium until the room has been thoroughly aired and no insecticide remains in the air. It is also a good idea to cover the aquarium when dusting.

Another household danger to pets is sponge rubber and various types of pot cleaners. These synthetic materials are indigestible and cause severe intestinal blockages that often require surgery and may be fatal.

Since these cleaning implements often smell of food, puppies love to chew them. A senior animal pathologist from the Veterinary Institute in Beit Dagan told me that after traffic accidents and poisoning, the most common cause of puppy death is swallowing indigestible synthetics, especially foam rubber, which also expands when it is wet in the stomach. D'VORA BEN SHAUL

JERUSALEM Symphony Orchestra IBA: Roger Norrington, conductor. (Jerusalem, Henry Crown Hall, May 13.) Haydn: Symphony No. 49 in F minor; Mozart: Divertimento No. 12 in D major for Strings, K. 136; Serenade No. 2 in C minor for 2 Horns, 2 Oboes, 2 Clarinets and 2 Bassoons, K. 398; Haydn: Symphony No. 104 in D major.

THIS programme marks the close of the JSO's Red Series for the season, and it is a pleasure to report that almost everything went well. The conductor demonstrated a particularly fine grasp of the classical idiom and was able to lure the orchestra over to his personal vision of this musician, not always an easy task. Even the string section, frequently the squeakiest wheel on the JSO chariot, was well lubricated by Norrington's soothing balm, and they played in style, in step and — most important — in tune. One result was

Convincing close



that the first two works, paired together by virtue of their differences in disposition, tone, colour and style, actually contrasted with

each other. They presented two diverse facets of elegant classicism, smoothly polished on the surface, but below that surface lacking none of the turmoil which was the heritage of the *Sturm und Drang*.

The Mozart Serenade created an aural impression parallel to that of glossy photos of elegantly-dressed people sipping champagne — dry, clean, crisp, effervescent and, in the hands of such fine instrumentalists, tastefully musical. Whether the conductor's presence was actually required (he led this octet seated in front of the ensemble) is a moot point; in any event the sound was

right, which is the best test.

The rest of the orchestra was off-stage during the Serenade. Heaven only knows what they do back there, but when they returned the closing work lurched and wheezed for awhile before igniting smoothly. The limited endurance of the JSO has been mentioned previously and here, once again, the conductor seemed to be tugging at the orchestra rather than leading it. Recordings and other performances have accustomed this reviewer to larger forces and more majestic readings of this work, but Norrington's quicker tempo and lighter touch are probably closer to Haydn's own conception. It was in sum a convincing closing for this season's Red Series and a fine outing for the orchestra.

DANIEL ZIFF

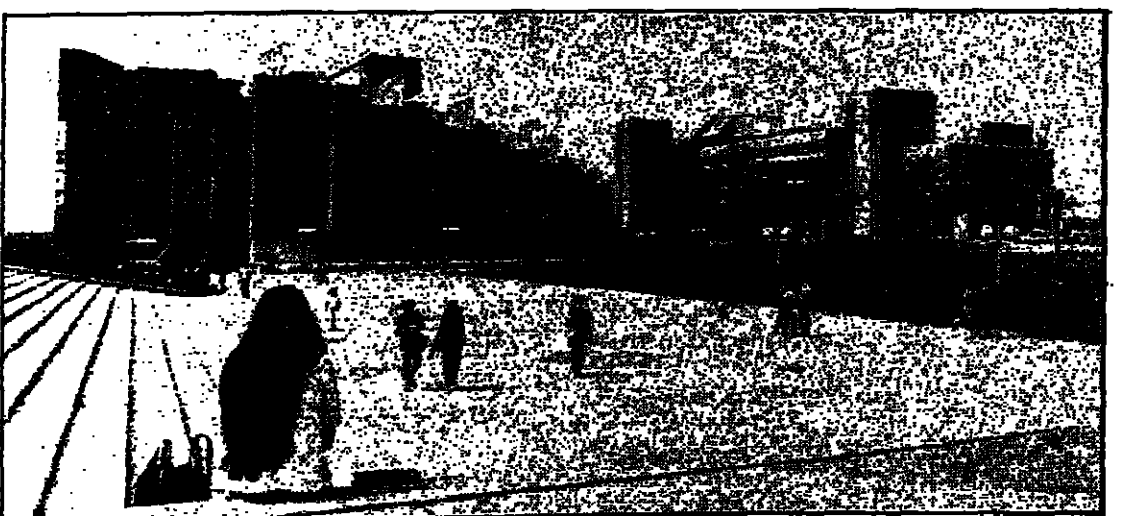
Young musicians in the limelight

TEL AVIV. — Young Israeli musicians will share the limelight during the forthcoming fourth Israel Philharmonic concerts originally designated for the American conductor James Levine.

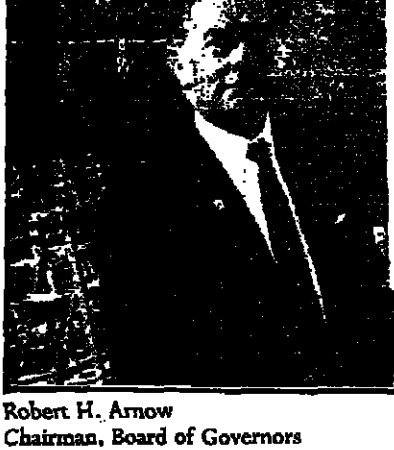
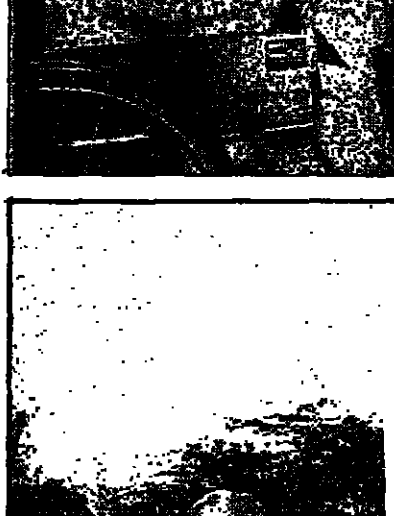
The soloists will be the 17-year-old violinist Shira Ravin, in the Mozart violin concerto No. 5 and the 15-year-old pianist Ohad Ben-Ari, in Beethoven's second piano concerto. Ze'ev Dorman, recently appointed as assistant to Zubin Mehta, will lead the orchestra in a Mozart overture and Dvorak's New World Symphony.

Dorman, 40, has been a bassoonist with the IPO for the past eighteen years.

BEN-GURION UNIVERSITY OF THE NEGEV BOARD OF GOVERNORS CONVENES



Beer-Sheva, May 18, 1987...The 17th Annual Meeting of the Board of Governors of Ben-Gurion University of the Negev convenes here today with participants from Belgium, Canada, Denmark, France, Germany, Great Britain, Israel, South Africa, Switzerland, and the U.S.A. During a week of ceremonies and deliberations, the Board members will review the activities and accomplishments of the past year, the David Ben-Gurion Centennial Year, and will begin afresh to plan for the coming year.



Robert H. Arnov
Chairman, Board of Governors

Ben-Gurion University of the Negev

HIGHLIGHTS OF THE 17TH ANNUAL BOARD OF GOVERNORS MEETING:

Monday, 18 May, 1987

Presentation of Honorary Doctoral Degrees to:
Abba Kovner, Israel
Bertram Lubner, South Africa
Prof. Moshe Prywes, Israel
George Shrut, U.S.A.

Guest of Honor: Prof. Amnon Rubinstein
Minister of Communications

in the Lady Sarah Cohen Auditorium, New Cultural Center, Beer-Sheva

Wednesday, 20 May, 1987

Dedication of
The Philip and Bernice Krupp Natural Sciences Building
Generously donated by their children and grandchildren

Concert performed by Arnov Family Music Scholarship students, Rubin Conservatory of Music

Salute Our Benefactors Ceremony
during which the following dedications will take place:

The Joseph H. Krupp Chair in Cancer Immunobiology
Generously endowed by his sons: Philip, Frederick and William Krupp, Boston, MA
Incumbent: Prof. Shraga Segal

The Hoffer-Vickar Chair in Psychiatry —
Unit for Orthomolecular Research
Generously endowed by Ed and Marion Vickar, Winnipeg, Canada
Incumbent: Prof. Haim Belmaker

The Sidney Liswood Chair in Health Care Management
Generously endowed by his friends and admirers, Toronto, Canada
Incumbent: Prof. Joseph Pliskin

The Louis Rasminsky Fund for Social and Cultural Integration
Generously endowed by his friends and admirers, Ottawa, Canada

Thursday, 21 May, 1987

Symposium with Dr. Linus Pauling, Nobel Laureate

Unveiling of plaque and awarding of scrolls to
New Founders of Ben-Gurion University



Designed by: Karmay Graphic Design

Gov'ts are going out of business as privatization trend grows

LONDON (Reuters). - Across the globe, governments are selling off state-held business interests to private investors.

Turkey and the Philippines have jumped on the privatization bandwagon. A Swedish social democrat government is shedding state assets. A socialist-led Austrian coalition would like to do so, if only its state conglomerates were not so deep in the red.

The sell-off is not confined to countries like Britain, which are governed by such avowed right-wingers as Prime Minister Margaret Thatcher, a trailblazer in the field.

Reuters correspondents in various nations were polled on government privatization programmes. They also questioned sources from brokerage analysts to academics for an update on a process that is changing the business landscape in the 1980s.

Joseph Bower, professor of business administration at Harvard University, said: "It seems to me the trend is very positive. In many ways it reflects a rethinking of the proper role of the state."

Even among believers in government intervention, he found a feeling that ownership of business was inefficient, wasteful and a "very complicated way of expressing the needs of the state."

Bower said the trend showed a "greater sophistication of many governments. It's a swing back from the political left."

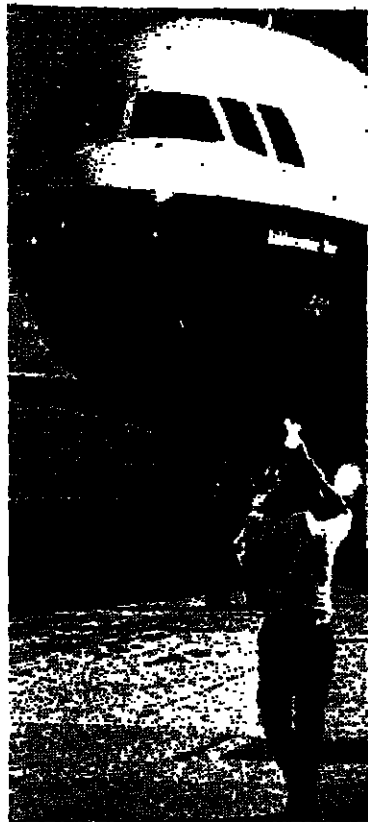
Canada now has a minister of state for privatization - Barbara McDougall. "Can governments do everything, and should governments do everything?" she asks. "The answer is no."

Allen Sinai, chief economist at Shearson Lehman Brothers, investment banking arm of American Express, saw "a trend sweeping the world. It does make sense to me. Incentives and the free enterprise system should produce better results."

That is an argument deployed by leaders like Thatcher in Britain and French Prime Minister Jacques Chirac, who is selling off 65 state firms.

Some on Chirac's list, like Paribas Bank Group, were taken over as recently as 1981 by a Socialist government, but others were nationalized by Charles De Gaulle.

Besides the argument that private enterprise is more efficient, a compelling reason for governments to bail out is that self-offs raise money - which is good for politicians who



A British Airways jet prepares for takeoff. (Andre Bruttman)

want to cut taxes, or dare not raise them despite yawning deficits on their budgets.

Even in the U.S., the global bastion of private enterprise, there are some items left for the state to sell or, like hospitals and government laundry, to contract out.

For the fiscal year that begins in October, the Reagan administration's privatization plans include selling parts of the Amtrak national passenger railway, aiming to net some \$5 billion to help reduce a huge deficit.

In the Philippines President Corason Aquino has listed 13 firms for privatization, hoping that proceeds will alleviate a foreign debt of \$28 b.

Asia's economic giant, Japan, is selling state holding in its railways and the big Nippon Telegraph and Telephone (NTT) to ease a huge state debt.

David Gerstenhaber, economist with bankers Morgan Stanley in Tokyo, said: "The government is desperately short on cash... and now there's a high risk of recession, so the fiscal authorities must spend money. They can issue bonds or generate revenue through privatization."

France's privatizations should net the equivalent of \$50b. over five

years, of which the government says 75 per cent will go to cut state debt and the rest on public works like motorways. Finance Minister Edouard Balladur also says he wants to cut taxes in 1988 by \$3b.

Thatcher has shaved taxes in Britain. Her sell-offs of the nation's gas and telecommunications monopolies, its airline and firms like aeroengine builder Rolls Royce, have so far netted more than \$20 b.

The worldwide spate of state sell-offs has coincided since the early 1980s with a boom on major stock markets. In Britain, France and Japan, the new issues were lavishly advertised and - often oversubscribed - they lured millions of newcomers to dabbling in shares.

Tokyo housewives scrambled to buy stakes in NTT, an issue 10 times oversubscribed.

Napoleon called Britain "a nation of shopkeepers." Thatcher envisages one of small shareholders - and share ownership has trebled since 1983, so that one recent survey found that one in every six Britons owns a stake in business.

It has trebled in France, too, following the sales in the past year of Paribas and the glass-making firm of Saint Gobain.

The worry among some politicians is, what happens if the boom ends and share values around the world slide?

"The government has sucked people in [to the stock market] at outrageous multiples and if it corrects substantially, then you have effectively taxed the proletariat," said Morgan Stanley's David Gerstenhaber in Tokyo.

An added worry for British investors is that the left-wing Labour party may renationalize if it wins June 11 elections.

In several nations, socialist parties have thwarted or slowed privatization. Trade unions fear that new bosses, answerable to shareholders, will shed jobs. In Japan, people fear that the now-private railway will cut lines to remote areas.

West Germany's centre-right coalition had to trim a list of privatization targets from 100 to 12. Social Democrat critics flung at Chancellor Helmut Kohl the taunt used against Thatcher by a former British Prime Minister, the late Lord Stockton - "selling off the family silver."

Opposition has slowed privatization in Canada, Italy and Belgium. In several smaller nations, fears are voiced on the risk of foreigners moving in or of private monopolies.

This summer's tourism outlook brightens in Europe after the disastrous 1986 season



Visitors at the Maritime Museum at St. Katherine's Wharf in London (David Brauner)

Despite Waldheim

Israelis return to Austria

By JONATHAN KARP
TEL AVIV. - Israeli tourism to Austria declined last year, but Austrian tourism officials say Kurt Waldheim's election to the presidency was not the primary cause.

"The Waldheim affair was only one factor in the decline, along with the Chernobyl disaster and the threat of terrorism, which of course deterred tourists from all over," Hannes Davoras, of the Austrian Tourism Ministry, told a press conference last week. Davoras was part of a nine-member delegation visiting Israel to kick-off Austria's summer tourism season.

Three thousand fewer Israelis travelled to Austria in 1986 than in 1985, but the more significant indicator of the drop in tourism was that the number of overnight stays by Israelis fell from about 230,000 in 1985 to 176,000 last year. Davoras estimated

that 60 per cent of all Israelis who travel to Austria were either born there or had some family tie to the country.

The tourism officials said that conditions had improved and expressed the hope for a 20 per cent increase in Israeli tourism this year. Peter Bolech, sales manager for Austrian Airlines, said figures for the first four months of 1987 showed a 43 per cent increase in traffic on the airline's Tel Aviv-Vienna route.

Austrian Airlines' Israel manager, Eli Messer, added that Austria offered Israelis a convenient base from which to make side trips to other countries, including Hungary and Yugoslavia.

Austrian Airlines currently operates four weekly flights to Vienna, Messer said, but plans to add a connecting flight to Salzburg once a week, starting in July.

CURRENCY MARKETS

Economic news dents dollar

The dollar declined further on Friday, with the release of some far-from-reassuring U.S. economic data, that put the U.S. currency at its weakest levels for the week.

The Producer Price Index jumped a much higher than expected 0.7 per cent while industrial production was down 0.4 per cent for April. Dollar interest rates rose sharply as a result of rapidly escalating inflationary expectations, with major banks lifting their prime rate to 8 1/4 per cent. Those higher rates, combined with

expectations for a discount-rate increase, served to support the dollar at the lower levels.

For most of the week, the U.S. currency fluctuated within narrow trading ranges, as the market awaited Thursday's key U.S. trade data. The \$13.6 billion U.S. trade deficit they finally got was an improvement over February's \$15.1 B. deficit, but in the line with expectations. And the market is far from convinced that a turnaround in the trade situation is likely soon. Overall the effect of the trade news was muted.

On Monday the pound sterling suffered a wave of profit-taking immediately after the official election announcement. The currency traded as low as \$1.656, but it gradually recovered throughout the week, supported by higher oil prices and opinion polls strongly favouring the ruling Conservative party.

The dollar ended the week in line with the major trend, indicating that it is aiming at lower levels. Nevertheless, the extent of the decline shows that the currency is less vulnerable to sharp declines at current levels. It may now be entering a period when higher interest rates compensate for the drop in its value, gradually pushing it towards an equilibrium point. It is still too early to state firmly that such a point has been reached, but these higher rates should serve to slow the decline of the dollar in the near future.

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my05-95-02

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Americans are back, as terror fears fade

LONDON (Reuters). - American tourists are returning to Europe, shrugging off fears of terrorist attacks and nuclear radiation. But the return could be hampered by the weakness of the U.S. dollar.

According to the tourism officials across the continent, the weak U.S. dollar will make foreign trips more expensive for Americans and could stem the tourist flow back across the Atlantic.

Last year, Europe, like Israel, was considered a high-risk area after a series of bomb attacks, leading to an American air strike against Libya, and the Chernobyl nuclear disaster in the Soviet Union, which caused nuclear fallout over much of the continent.

Most countries lost around a third of their American tourist trade, with almost a two-thirds decline in Greece, considered particularly unsafe following two plane hijackings starting at Athens Airport.

But after an intensive campaign to woo back the Americans the rot has been stopped, and in some cases the trend reversed.

In Italy, Enzo Poli, the head of the travel agents' association, Fiaver, points to encouraging business over the Easter holidays and says: "If this year continues in the same way as Easter we will have a boom."

After the 1985 hijacking of the Italian liner Achille Lauro, in which a U.S. citizen was killed, and an Arab guerrilla attack at Rome airport the same year, the flow of tourists from the U.S. is still below 1984 and 1985 levels.

But a representative of the Hotelier's Federation, back from a visit to North America, speaks of "encouraging impressions regarding the return of American tourists."

They have definitely returned to Spain, in greater numbers than ever before. The latest figures show an increase of 6.2 per cent for the first two months of 1987, compared with

the same period last year, before Chernobyl and the bomb attacks. Neighbouring Portugal shares Spain's hopes of a record tourism year, although Americans are slower in finding their way back to the Western part of the Iberian Peninsula, officials in Lisbon say.

Greece also believes that restoring American confidence is a long-term task. The National Tourist Organization said it did not expect a spectacular increase in American visitors this year. "though compared to 1986 the improvement will be considerable."

Britain had already overcome the effects of last year's events by the end of the year, figures published by the British Tourist Authority show. In December 1986 the number of visiting U.S. citizens, which dropped by almost half after Chernobyl, was 10 per cent up on the previous year.

Optimistic forecasts have been confirmed by estimates for the first quarter of 1987, including the Easter holiday period. "We have had a tremendous start... and Easter was very busy," a spokeswoman for the London Tourist Board said.

While claiming that fears of terrorism or the long-term effects of Chernobyl appear to have faded, she says the dwindling purchasing power of the dollar remains an obstacle, an opinion shared by Dutch, Danish and Swiss officials.

Swiss officials said tourism would remain stagnant at 1986 levels this year, mainly because of the weakness of the dollar against the Swiss franc. "The dollar exchange rate is not good," one Swiss tourism official says. "However, most Americans come to Europe in the summer, so we will have to wait and see."

Meanwhile, some of the returning Americans are resorting to disguise to counter any terrorist threat. According to a tourist official in the Belgian port of Antwerp, a number of them have arrived with Canadian flags stuck on their baggage.

THE HEBREW UNIVERSITY OF JERUSALEM

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a lecture by

The Honorable Thomas R. Pickering

Ambassador of the United States of America

on

The United States, the Middle East and Israel

on Thursday, May 21, 1987 at 4 p.m. Senate Hall, Administration Building, Mount Scopus Campus, Jerusalem.

my951-20114

CROSSWORD

ACROSS

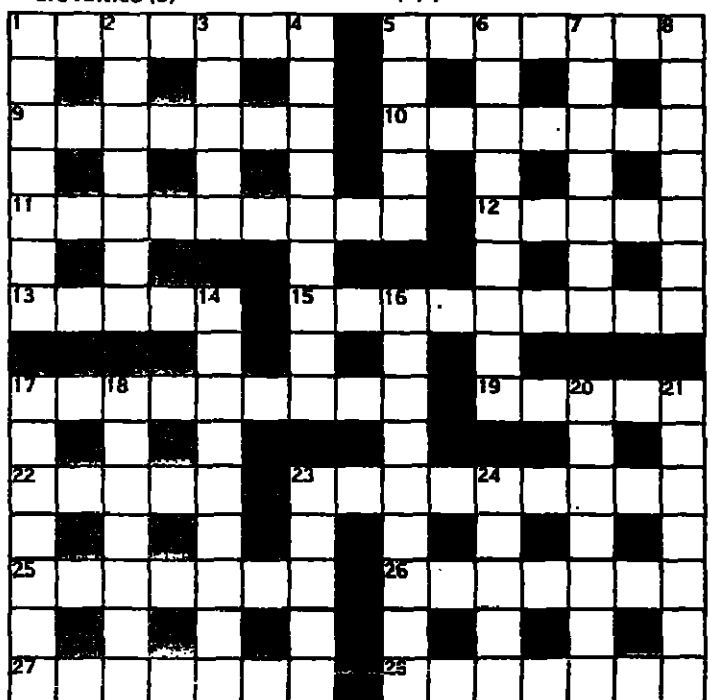
- 1 Russian soldier gets regimental leaders to fire (7)
- 5 Daily fare to a house in Westminster (7)
- 9 The sort of knife Guevara thrust into a comrade? (7)
- 10 Erred badly accommodating Edward when reduced to a buck (5,4)
- 11 Public debtor to rise head and shoulders above the rest (9)
- 12 Lay in morals perhaps, but not tight (5)
- 13 Quick, escape on time (5)
- 15 Strike big game (4,5)
- 17 Rub back new shine and old copper will be (9)
- 19 Famous public school going back to 500 (5)
- 22 Prison noise when handcuffs are rattled (5)

DOWN

- 23 Very poor proposal for adding to General and Water levies (5,4)
- 25 Not the honest way to answer a falsehood, so take it easy! (3,4)
- 26 Sink a team led by its twelfth man (7)
- 27 Manoeuvring tanker around the East is again captured (7)
- 28 Taken on once the proposal has been accepted (7)

DOWN

- 1 Succeeded, but not at the horse trials apparently (4,5)
- 2 Salmon tells how to raise a shiner (7)
- 3 Avoid the centre of Staverton (5)
- 4 Look out, but don't lose time (4,5)



YESTERDAY'S SOLUTION

ACROSS: 1 Fill, 3 Lamer, 9 Eager, 18 Source, 11 Top, 13 Whiff, 14 Carpet, 16 Streak, 18 Prostrate, 28 Sad, 22 Leafage, 23 Elber, 25 Treating, 26 Ogre. DOWN: 1 Fleet, 2 Log, 4 Assets, 5 Toner, 6 Receiver, 7 Yashmak, 8 Grow, 12 Parsonage, 14 Capulet, 15 Entrant, 17 Cavern, 19 Ever, 21 Dirge, 24 Hag.

QUICK SOLUTION

ACROSS: 1 Fill, 3 Lamer, 9 Eager, 18 Source, 11 Top, 13 Whiff, 14 Carpet, 16 Streak, 18 Prostrate, 28 Sad, 22 Leafage, 23 Elber, 25 Treating, 26 Ogre. DOWN: 1 Fleet, 2 Log, 4 Assets, 5 Toner, 6 Receiver, 7 Yashmak, 8 Grow, 12 Parsonage, 14 Capulet, 15 Entrant, 17 Cavern, 19 Ever, 21 Dirge, 24 Hag.

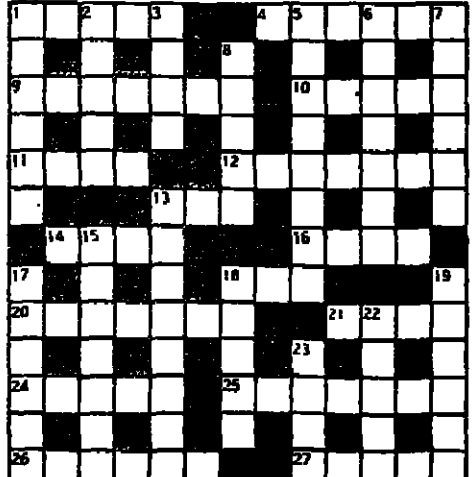
QUICK CROSSWORD

ACROSS

- 1 Thoroughfare
- 4 Neckband
- 9 Exam
- 10 Common gastropod
- 11 Stretched
- 12 White-out
- 13 Bishopric
- 14 Spill child
- 16 Border
- 18 Serving counter
- 20 Halfway
- 21 Not wild
- 24 Uttering
- 25 Domestic employee
- 26 Happenings
- 27 Old fashioned

DOWN

- 1 Healthy
- 2 Ancient missile
- 3 Team
- 5 Spotter
- 6 Liding
- 7 Mitigation of pain
- 8 Strike
- 13 Undeviating
- 15 Fidgety
- 17 Husband or wife
- 18 Animal
- 19 Relaxed
- 22 Separated
- 23 Poke



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MARKET
PLACE

PINHAS LANDAU

Money
in the
bank shares

This column has not indulged its mania about the bank shares for over two months. The main reason is that in that time, the bank shares covered by the "arrangement" have barely budged.

If you compare today's prices with those of late March you will find little change. Certainly, taking that period by itself, an investment in any unlinked shekel deposit would have provided fine return, while for the adventurous, the ups and downs of the "free" share market would have left a much better result on the bottom line.

Two reasons may be cited for the failure of the bank shares in recent weeks. On the domestic front, inflation has mysteriously disappeared and prospects of a devaluation have dissipated while shekel interest rates, although declining steadily, have remained above bank share-yield levels. On the foreign front, the dollar has lurched lower, causing it to fall even against the shekel.

In other words there has been no short-term rationale for buying bank shares, and only the Bank of Israel has prevented yields slipping lower than they already are. But this situation seems ripe for change.

On the one hand, we are on the verge of a sharp decline in shekel interest rates - again. This time, the deposit rates will probably wind up at 15-16 per cent per annum, so that it will be more profitable in nominal terms to hold back bank shares than shekels.

The bank shares' dollar linkage presents a problem. The U.S. currency shows no sign of stabilizing, so that the possibility of a continuing slow shekel revaluation (i.e. an increase in shekel value against the dollar) looks good, for the short term at least.

But investors worldwide are now asking themselves how much further the dollar can go, given that growing inflationary pressures in the U.S. are forcing dollar interest rates up quite rapidly. The higher dollar interest rates are, and the lower those on the Deutschmark and the yen, the greater the incentive to hold dollars, or at least not sell them.

Thus (and now we get to the other hand), the dollar-linkage feature of the bank shares may become a more positive one a little way down the road. The alternative of shekel investments is becoming less attractive as shekel interest rates fall.

Furthermore, it is important to note that the self-satisfied glee that has seized official Israeli economic circles in the wake of the recent, lower-than-expected consumer price indices, may yet turn out to be rather short-sighted.

Never mind the quibbles over the accuracy of the index itself. One can even accept the forecast for the next three months that inflation will be next to nothing by recent standards. But if the local ostriches would bother to open their eyes and ears to what is happening beyond their immediate purview, they would have grounds for alarm.

The key statistics from Friday's markets in the U.S. are as follows: Producer prices - up 0.7 per cent; oil - up to \$19.80 per barrel; industrial production - down; bonds - massacred; shares - another sell-off; grains and other commodities - still rising smartly; gold - up \$11; Silver - up 60 cents in one session.

Taken all in all, the underlying logic of bank share investment remains intact, as always. If everything is indeed coming up trumps, as we are asked to believe, then interest rates will fall and bank share yields will fall with them, so that their prices will rise.

If, on the other hand, inflation is rekindled and/or the worsening trade situation forces devaluation, the bank shares provide full protection.

There are two main risks. One is if the Israeli government defaults on its obligation to repay the bank shares - which it swears it won't, and which most independent analysts now accept will not happen. The other is if the dollar plunges heavily and/or the U.S. inflation soars away.

These factors explain why the yield is still twice the level of U.S. government obligation in the Western world. The market rewards risk-taking, otherwise people wouldn't do it.

Share, bond markets fall

U.S. indicators signal inflation

Post Economic Staff and agencies

The U.S. weathered a steady stream of bearish economic news on Friday, with virtually all the indicators pointing to renewed inflation. The combined effect of the developments was to force the Dow Jones Industrial Average down nearly 53 points and shatter the bond market.

Out of Washington, the Labour Department reported a sharp 0.7 per cent jump in producer prices, led by higher costs for meat, energy and motor vehicles. It was the biggest jump since October 1985 and signalled similarly high rises in the U.S. Consumer Price Index in coming months.

Should the trend of the first four months continue through the entire year, the U.S. CPI will end the year 5.1 per cent higher, compared with 2.5 per cent for all of 1986.

On top of that, the Federal Reserve reported an 0.4 per cent drop in industrial output, marking the second straight decline in the indicators.

The automobile sector led the decline, but the message seemed to be that overall U.S. economic growth was on the wane.

A further indication that the markets see renewed inflation on the horizon was the decision by top U.S. banks to boost the prime rate of interest - the rate charged to their best customers and a benchmark for other lending rates - 8.25 per cent, the second rise in two weeks. Earlier, the banks had raised their primes to 8 from 7.75 per cent.

The banks' move was seen as part of a wider effort by the Federal Reserve to tighten credit and shore up the dollar by making investments in the U.S. more attractive.

The news hit the markets hard (see New York Financial Markets on this page).

"The stock market got hit two fisted," economist Gary Ciminero of Providence, Rhode Island-based Fleet Financial Group said. "First, it was focusing on the bond market and the bond market is worrying about

inflation amid the very bad producer price number. And second, the very weak industrial production number undercuts all those that were forecasting better stock prices because of a strengthening economy."

"The clincher was the poor producer prices," analyst Michael Metz of Oppenheimer said. "While it indicates April inflation was accelerating, the sharp rise in commodity prices through the month of May probably means inflation will be even worse this month."

In addition, Metz said, the selloff in U.S. Treasury bonds, to their worst levels in 15 months, and the decline in industrial production, "shows that there is monetary tightening in an atmosphere where economic growth is questionable."

The Federal Open Market Committee, the policy-making arm of the U.S. central bank, meets tomorrow to discuss the U.S. economy and determine whether higher interest rates are needed.

Tel Aviv
shares higher

Post Economic Staff

A temporary easing of the government crisis combined with a large flow of money for investment carried share prices higher for a second straight session on the Tel Aviv Stock Exchange yesterday.

Two hundred and fifty-four shares posted advances, while only 43 registered declines.

The publication of the April Consumer Price Index of 2.2 per cent also had an impact on the bond market, with most bond issues suffering from offers which brought slight falls in the wake of small turnovers.

The Tel Aviv Stock Exchange said yesterday it would be expanding the list of shares included in the two-sided trading experiment.

The less-liquid issues will be dropped from the list and several of the "heavy" shares will be added: American-Israeli Paper Mills, Clal Industries, Discount Investments, Petrochemicals, Dead Sea Works and IDB Development.

Sofer said
to sell
real estate

David Sofer, the Israeli financier accused by the U.S. authorities of participating in a \$4 million insider trading scam, is continuing to sell assets in Israel, apparently through third parties and at knockdown prices.

The Jerusalem Post has learned from reliable sources that Sofer recently sold at least two properties. One of these was a three-floor luxury apartment block in Jerusalem's Talpiot section with a magnificent view. Normally, each unit in the block would fetch well into six figures, but apparently as a result of the circumstances surrounding the sale, the buyer paid a reported \$240,000 for the whole building.

The buyer is reportedly a leader on the grey, or unofficial, market. He is active in providing financing to building contractors, for which he charges some 6 per cent per month, considerably above bank credit rates for those who can obtain them.

Details concerning the second transaction were unavailable.

Sofer's whereabouts remain unknown, as they have ever since the U.S. Securities and Exchange Commission announced in March it was filing a civil suit against him and former Israeli Nahum Vaskevitch, who was manager of Merrill Lynch's mergers and acquisitions department in London.

As reported in The Post on April 17, Sofer sold his holding in Jordan Hotels, which owns the Jerusalem Hilton, through a deal off the exchange floor in early April. The sale netted him NIS 833,000, according to a statement filed with the exchange.

Sofer's bank accounts in Switzerland were frozen by Swiss authorities at the request of the U.S. on March 20 for a 30-day period.

PERES ASKS U.S.

(Continued from Page One)
can be arranged through negotiations in an international framework - yes."

Peres went out of his way yesterday to insist that he did not want the U.S. to get involved in the domestic Israeli political debate.

He said the opportunity can not wait until November 1988, when the next Israeli elections are scheduled. The opportunity may not be available unless decisions are made right now, he said.

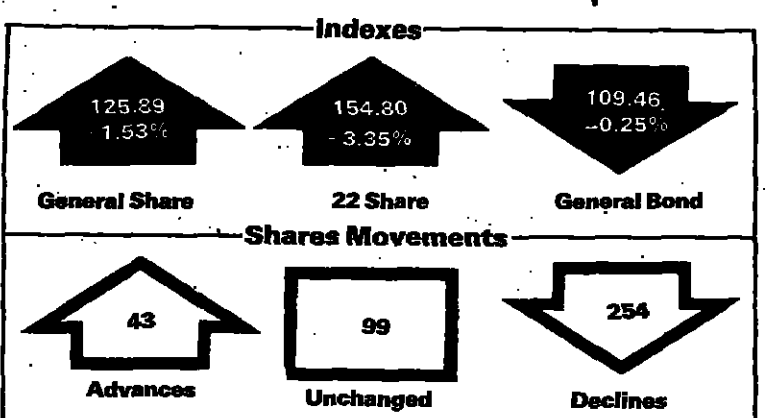
The New York Times yesterday quoted a senior Administration official as saying: "It's the only thing that's there, so we're going to work on it."

The newspaper also quoted a senior official as saying: "Peres has completely miscalculated in terms of domestic politics and has counted somehow on us to save him. He was trying to pull the U.S. into the domestic political battle. That made it even more difficult for us to support what is a significant step, but not the whole ball game."

Shamir told Israel Radio last night that he was not expecting any kind of report from Peres. "It doesn't interest me in the slightest," he commented.

Asked whether he realized Peres was negotiating about an international conference, the prime minister said: "He has no mandate and no right to hold any consultations on behalf of the government in this matter."

Tel Aviv Stock Exchange



Share	Price	Turnover	% change
Delta Galil	4320	811	+2.3
Maqeta 1	3500	308	+3.5
Eagle 1	863	2728	+0.7
Polygal	5870	438	-4.5
Schoellerclint	2540	394	+5.4
Is. Can Co. 1	5220	1830	+2.4
Zion Cable	3640	100	+5.8
Pedder Steel	18000	174	-
Elron	588500	10	+1.1
Deute	445000	108	-
Art. Clal Electronics	2979	438	+3.8
Specbrody 1	1512	814	-
T.A.T. 1	2088	111	-
Acherstala 1	1240	537	-
Alliance	3214	1357	-15.0
Deute	5040	b.o.1	-
Hellotek	1020	845	+2.0
Dead Sea 1	2950	800	+1.5
Petrochem	805	2125	+3.1
Neca Chem.	8444	286	-
Frutem	54217	527	+15.0
Hedera Paper	no trading	no trading	-
Koep	no trading	no trading	-
Clal Ind.	270	10577	+1.9

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THE JERUSALEM POST

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Shamir's summer sale

BUOYED by what Yasser Arafat has obligingly described as the premier's - and the Likud's - success in calling Shimon Peres's "bluff" on the international conference issue, Yitzhak Shamir is now pressing on with efforts to ensure that the foreign minister - and the Alignment - are denied, as the PLO chief hopes they will be, the votes needed to dissolve the Knesset, and to order new elections now.

The principal weapon in this anti-peace campaign consists of the most far-reachingly seductive concessions to the religious parties ever, in the area of religious legislation.

It may well be that the Likud will have to try even harder to win the favour of the Orthodox parties than it has so far done. A draft agreement concluded last Friday between the Likud and Shas, providing for Rabbi Yitzhak Peretz's return to the government table and joint opposition to the advance of the elections, was revoked by the ultra-Orthodox Sephardi party late Saturday night.

The reason was not second thought among Rabbi Peretz's entourage, or the party's Council of Torah Sages, about the possible boomerang effect of more coercive religious legislation, which might split up the nation at home and in the Diaspora. Nor does it seem to have been doubts about the usefulness of Shas's rejoining not a national unity government but a ramshackle administration marked by grotesque internal disunity, openly working at cross purposes and unable to concert action on vital matters of state.

What prompted Shas to scrap its initial deal with the Likud was the suspicion that the premier's party would not be able or willing to make good its munificent pledge, and that the pledge was not sufficiently munificent.

Shas, however, is not at this moment sufficiently impressed. Last night it was expecting a decision by its Sages in the matter. But the party's mood seems to be that there is no reason for it to jump at the Likud's bait. This also appears to be the attitude of Agudat Yisrael, a coalition but not a government member, and of the NRP.

None of these small parties has an evident stake in early elections. But if the Likud is willing to pay them through the nation's nose for their support - why not exact what the market will bear?

Whether the Likud will indeed be able, even if willing, to deliver is still uncertain. The creeping Khomeinization of Israel which the party will thus be greatly boosting does not cause the Likud - excepting three Liberals, who will be free to vote their way on "Who's a Jew" - any pangs of conscience. Or if it does, it is justified on grounds of political expediency. The implied violation of the government's basic policy guidelines, which bar any change in the state-and-religion status quo, as well as of the coalition agreement which makes coalition support for any private member's bill in this area contingent on the consent of both Mr. Shamir and Mr. Peres, apparently rates hardly a thought.

Nevertheless, it still remains more likely than not that the Likud will be able to beat off any attempt by the Alignment to put together a majority large enough to dissolve the Knesset. And the Alignment cannot expect to equal, let alone outdo, the Likud in the impudence of its concessions to the religious parties.

What, then, is the Alignment to do? After the aborted showdown in the inner cabinet last Wednesday Mr. Peres and his colleagues persuaded themselves that they must not impulsively rush out into the wilderness of opposition. Rather, they should strive to build up a pro-election majority from within the government, then stay on with a transition administration until the country has rendered its verdict.

This may have been sound tactical counsel last week, but it is highly questionable whether it is sound any longer. The Likud is riding high, and will do almost anything to ensure that it is not halted. By subjecting itself in effect to the Likud's fiat, and because it is unable to override the Likud's veto, the Alignment is consigning itself to utter sterility and jeopardizing the integrity of its message and purpose.

That is the fear that has led Shinui's Amnon Rubinstein, member of the Alignment's contingent in the government, to call on his small party to pull out and go into opposition.

A big party such as Labour has a somewhat different perspective, but it cannot be that different. When Mr. Peres returns from the U.S. no doubt apprised that the steam has now gone out of his initiative, he will have to take a quick decision where the Alignment properly belongs in the circumstances. For if he cannot fish, he should cut bait.

Investing in education

Macabee Dean

THE STRIKE of the university students is misdirected. It is against higher tuition fees. It should be for getting a fair return on their investment - whether fees are considered high or low.

How good are Israel's institutions of higher learning? To the best of our knowledge, no comparative study has been made. But it is assumed - and widely and smugly proclaimed - that they are among the very best in the Western world. This assumption may be correct, but more likely it is nothing but another piece of Israeli folklore.

The nearest thing to a comparative study we have seen is dated 1984. But it is limited in scope, since it deals only with doctors who sat for the examination of the Education Commission for Foreign Medical Graduates (ECFMG), a prerequisite for doing advanced study or working in the U.S. Many of the doctors had to answer in a language which was not their mother tongue; moreover, only a self-selected minority sat for the exam.

Nevertheless, taking all these reservations into consideration, it still gives some sort of an indication. Some 80 per cent of the doctors managed to answer 75 per cent of the questions correctly, and thus pass. This is ample proof that Israeli medical graduates are not the best in the world, even if they are definitely in the upper grades. For they trail behind such countries as England, Scotland, Australia and New Zealand.

Israel is in the same general category as Jordan and Hongkong. But Israel still outdistances such countries as West Germany, France, Japan and other Western countries. Most of these countries are however, themselves centres for post-medical study, and fewer of the doctors in these countries would try to go to the U.S., than would doctors from Israel or Jordan.

AS FOR OUR graduates in electronics, one hears constantly that they are "snapped up" in Silicon Valley. But one hears this only from those who have been snapped up; the others keep a much lower profile. Perhaps the reason so many found work in Silicon Valley is that when a shortage of qualified manpower develops in any field in America, it imports foreign-trained graduates wholesale. When the shortage ends, barriers are raised.

This happened a few years ago with freshly-minted Israeli doctors. Almost any of them could find work in the U.S. Then the American medical schools increased their output of graduates - and there was no need for foreigners. Perhaps it was not so much the quality of the Israeli doctors, as lack of American quantity that was the decisive factor for a few years.

Another indication that Israeli universities are not as good as is generally believed here is the "mousetrap" gauge, based on folk wisdom: if you make a better mousetrap, the world will beat a path to your door.

Where are the masses of foreign students pounding on the doors of Israeli institutions of higher education? Perhaps not from the West, but at least from the developing countries. Difficulties in learning a foreign language, especially Hebrew, is the excuse.

But does anyone remember that era when every American scientist felt his education incomplete until he had spent at least a year in a famous foreign university, generally German or Austrian, until Hitler destroyed European science? Those Americans had to learn a foreign language.

Assuming that it is Hebrew that is keeping away foreign students and graduates, why shouldn't the studies here be in English? Nearly every Israeli professor has a good command of English; if there were a demand, an English-language university could be established here - and could be one of the best goodwill ambassadors in the world, as well as

bringing in foreign currency. Tel Aviv University already has an English-language medical school for Americans. Its graduates, incidentally, did better than native Israelis in the ECFMG. Some 95 per cent of the Americans passed; only 78 per cent of the Israelis.

The assumption that Israeli university standards are so high also comes from another quarter. On every side, one hears that "Professor So-and-So" has a worldwide reputation. This may be true, but it only means that he has joined the ranks of thousands of other professors throughout the Western world with international reputations. It is not difficult to obtain this status in a shrinking world where the latest scientific journals arrive here within weeks, and relevant information can be tapped by electronic mail within minutes.

No Israeli professor feels he has "arrived" unless he can brag that he has spent his sabbatical at such universities as Harvard, Yale, Princeton, California or Pennsylvania in the U.S.; Oxford or Cambridge in England; the Sorbonne in France, to name only a few. One reason so many Israelis have an "international reputation" is that Israeli academicians are hesitant to esteem the work of their colleagues without the approval of their foreign colleagues. In Israel, at least, an international reputation has replaced the former "publish or perish" slogan as a sign of academic worth.

ASSUMING that these Israeli professors are so highly thought of abroad, the students should still be interested in something else: how much of their wisdom do these professors pass on to their students? This is the bottom line.

One only has to infiltrate a bunch of students waiting to be received by the Labour daily *Hat Volk*, and later also his dismissal as an elementary school teacher.

For many years, copies of the novel were very difficult to find, as most of the edition was brought up by Sam and De Haan's non-Jewish lady-friend and later wife Johanna van Maarsseveen. In view of the present interest in homosexuality, it was reprinted a few years ago. Likewise reprinted a few years ago was a second homosexual novel, *Pathologieën*, published in 1908. Both novels were written several years before his poems with homosexual themes.

HENRIETTE BOAS
Badhoevedorp, Holland.

Haim Shapiro comments:
I am sorry that I failed in my report to make clear Zilberschlag's view that whatever De Haan may have done in his youth, he had "found peace" and lived the life of a pious Jew during his last years, when he was affiliated with Agudat Yisrael.

JACOB DE HAAN
To the Editor of The Jerusalem Post
Sir, - David Zilberschlag, who recently wrote a new book in defence of Jacob Israel De Haan who was killed in Jerusalem in June 1924, is apparently not sufficiently familiar with the subject. In your issue of April 24, he is quoted as saying: "The only proof of homosexuality (of De Haan) is to be found in De Haan's poems, and these can be interpreted in other ways."

Apparently Zilberschlag is not aware that, in addition to poems, De Haan also wrote two very explicitly homosexual novels. In particular, the first, *Pijpelijntjes*, caused a scandal. In this novel, which appeared in the spring of 1904, when he was only 21 years old, De Haan describes in rarely veiled language the homosexual relations between two young men, one of whom is clearly himself and the other, Sam, could easily be identified as a young Jewish doctor. The novel caused his immediate dismissal as editor of the children's page of the Sunday supplement of

the professor for a few minutes to know that they are not exactly happy. Apparently the professors turn the burden of instructing over to grossly underpaid assistants; the professors themselves make an impression and provide "inspiration."

If the students have ignored the tuition investment - educational return equation, they have also ignored another equation, namely, the subsidized student - taxpayer's return on investment.

The students claim they are offering their brains, the nation's natural resources, to their country; they are Israel's future. Taxpayers should invest in developing these brains by providing superior educational facilities at low fees.

There is something in this claim, but only if they at least promise to stay in Israel for a certain number of years after graduation - say 10. Thus, they would pay taxes to help ease the burden of those taxpayers who had, indirectly, financed their education, or at least to pay enough taxes to finance the schooling of another generation of students.

But no student today will promise to tie his educated and developed natural resources to Israel.

Our students are already failing to use their natural resources for something that only requires a bit of commonsense, i.e. by trying to answer one question: Where will the country get the money to keep the universities functioning if students don't pay reasonable fees?

HOW HAS the United States solved this problem? By tapping the goodwill of the alumni who graduated years ago and are now doing quite well financially. These have created interest-bearing endowments for their Alma Mater, which now run into hundreds of millions of dollars for some universities, so that these can not only obtain the services of the best teaching and research brains in the world, but also provide enough funds to keep tuition fees fairly low - even if enormously high

compared with those in Israel. So far, Israeli alumni lag far behind their American counterparts in helping their universities.

In their fight for minimum fees, the students have managed to foist upon an innocent public a stereotype of the average student: he (or she) is desperately poor, struggles valiantly to get a higher education against tremendous odds, and accepts any menial work, day or night, to get a few shekels for food and lodging. Yet only about 40 per cent of Israel's 66,000 university students work, mainly part-time. Another 60 per cent seem to be able to get an education without working - at least, they do not admit to working.

The "poor student" stereotype collapses when one visits the campus. Students argue and complain about insufficient parking space; we have yet to see a student looking underfed; and they have a special organization, *Issta*, to help them with their trips abroad. So there must be plenty of students who come from well-heeled families, for whom a few hundred dollars for tuition fees is a laugh.

An education is an investment in the future. Every student knows that he (or his parents) have to pay the full market-price if he buys a car or a home. The same standard should be adopted for investing in an education.

There should be sufficient scholarships for the exceptional student; the others should be allowed to borrow from the government - borrow, not beg, or get it as their due - sufficient money to see them through university.

The only condition is that these education loans, which should be linked, should be free of interest. Both the students and the taxpayers would benefit.

By striking, the students are depriving themselves of a good part of the education they deserve, and which they have already paid for.

The writer is a member of The Jerusalem Post editorial staff.

STUDENTS

(Continued from Page One)
angrily, describing the cabinet vote as "the first step towards making apartheid official." Ameer Makhouli, chairman of the Arab Students Union, said a nation-wide boycott of classes would be staged today as the opening shot in a campaign against "discriminatory" fees.

Throughout the lengthy battle against plans to raise tuition fees, Jewish and Arab students had maintained a united front, he said. "Now we have this attempt to divide and rule."

Makhouli said that the extra fee that most Arab students will have to pay will result in hundreds of them abandoning their studies. He was not opposed to army veterans receiving extra help, he said, if the money came from the Defence Ministry.

He said that demonstrations were planned for noon today at campuses all over the country. Most of the 3,700 Arab students study in Haifa and Jerusalem.

Attacks on the cabinet's decision came from several quarters last night. The Association for Civil Rights said it objected to the use of military service as a criterion for fixing tuition fees, because this "in fact creates discrimination between Jews and Arabs."

MK Mattitiah Peled of the Progressive List for Peace described it as

an act of "crude racism" aimed at turning Arabs into second class citizens.

But Finance Minister Moshe Nisim backed the decision saying: "Army leavers give the nation years of their lives and the government should compensate them for this." He pointed out that some Arabs do serve in the army and said that those who do not serve - both Jew and Arab - should pay a higher fee.

Tehiya Knesset faction leader Geula Cohen also applauded the decision, saying that it was not discriminatory but did justice to those who had served the state.

The setting of the fee at \$1,050 for the majority of students attracted criticism of another kind from university and Education Ministry officials.

They pointed out that the fees were insufficient to allow the universities to continue operating. The decision by the cabinet that no additional funds from the budget reserve would be available, they said, placed higher education in peril.

Prof. Ya'acov Ziv, chairman of the Council for Higher Education, said he was shocked at the government's decision.

Since the row over tuition fees began, the universities' heads have been demanding a raise to between \$2,500 and \$3,000 a year.

SHAS ON FENCE

(Continued from Page One)
the other hand, appears to be wavering, the sources said.

Rabbi Yitzhak Peretz said following the meeting with Labour that the possibility of Shas support for early elections "cannot be ruled out."

Party sources said last night that Rabbi Yitzhak Peretz would meet with Prime Minister Shamir today and ask for further clarifications on the Reform convert issue. The Council of Sages last night rejected any linkage between Shas's return to the government and its positions vis-à-vis the international conference or early elections.

The NRP representatives, meanwhile, accused Labour of "ignoring" and "looking down on" the NRP in recent years. Minister Yosef Shapira told Labour that the NRP would continue to support the national unity government and warned Labour against abandoning the coalition.

Despite an NRP decision against the party's participation in a narrow government, several party leaders said last night that if Labour bolts the coalition, the NRP would reconsider its position and might possibly join a Likud-led coalition.

Labour is expected to ask both the CRM and Mapam to postpone the hearing of their motions of no-

confidence over the government's handling of the peace process, which are due to be heard by the Knesset tomorrow.

The Likud yesterday shored up MK Aharon Abutzeira's opposition to early elections, promising him his Tami Party would be incorporated in the Likud with a realistic Knesset slot allotted to him.

The Likud's Friday agreement with Shas, signed in a lopsided meeting between a solitary Peretz and a battery of Likud leaders, including Prime Minister Shamir, comes in the form of a five-paragraph letter from Likud to Shas. The letter includes a Shas undertaking to oppose an international conference and early elections in exchange for a Likud pledge to solve the Reform conversion problem by legislating one of three laws: the "Who's a Jew" amendment to the Law of Return, the Rabbincal Courts Law or the 1972 Religion Conversion Ordinance.

The agreement was rejected by Shas mentor Rabbi Ovadia Yosef who claimed that the Likud pledges to deliver 38 out of its 41 Knesset votes in favour of the legislation did not assure its passage.

Sources in Shas interpreted last night's Council of Sages decision as a gambit aimed at extracting a higher political price from the Likud.

READERS' LETTERS

JACOB DE HAAN

To the Editor of The Jerusalem Post
Sir, - David Zilberschlag, who recently wrote a new book in defence of Jacob Israel De Haan who was killed in Jerusalem in June 1924, is apparently not sufficiently familiar with the subject. In your issue of April 24, he is quoted as saying: "The only proof of homosexuality (of De Haan) is to be found in De Haan's poems, and these can be interpreted in other ways."

Apparently Zilberschlag is not aware that, in addition to poems, De Haan also wrote two very explicitly homosexual novels. In particular, the first, *Pijpelijntjes*, caused a scandal. In this novel, which appeared in the spring of 1904, when he was only 21 years old, De Haan describes in rarely veiled language the homosexual relations between two young men, one of whom is clearly himself and the other, Sam, could easily be identified as a young Jewish doctor. The novel caused his immediate dismissal as editor of the children's page of the Sunday supplement of

the Labour daily *Hat Volk*, and later also his dismissal as an elementary school teacher.

For many years, copies of the novel were very difficult to find, as most of the edition was brought up by Sam and De Haan's non-Jewish lady-friend and later wife Johanna van Maarsseveen. In view of the present interest in homosexuality, it was reprinted a few years ago.

Likewise reprinted a few years ago was a second homosexual novel, *Pathologieën*, published in 1908. Both novels were written several years before his poems with homosexual themes.

HENRIETTE BOAS
Badhoevedorp, Holland.

Haim Shapiro comments:
I am sorry that I failed in my report to make clear Zilberschlag's view that whatever De Haan may have done in his youth, he had "found peace" and lived the life of a pious Jew during his last years, when he was affiliated with Agudat Yisrael.

SEXIST REPORTING

To the Editor of The Jerusalem Post
Sir, - In a recent review of the Denanjuk trial, you described the defence attorney's dealings with the "attractive professor" (Patricia Smith of the Hebrew University).

If not the writer, the editor should be expected to omit the word as unfit and totally inappropriate. It is high time people were evaluated and treated according to their skills and achievements and not their physical/sexual attributes when the latter are not the issue at hand.

ETHAN R. PRIEL

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